

The National Underwriter

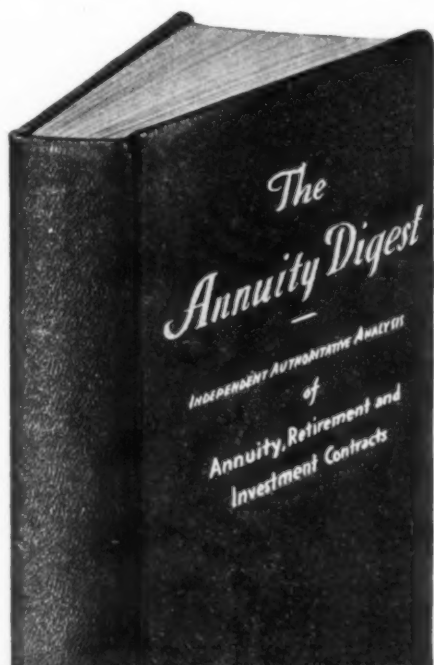
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OCTOBER 20, 1933

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If you have not already ordered this new and long-needed reference book do so now.

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The
UNION CENTRAL LIFE INSURANCE
Company
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The big 3 of GREAT SOUTHERN REPRESENTATIVES' Success

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3. Generous and complete home office co-operation and a complete line of attractive policies.

These three features are assisting Great Southern agents to attain success and financial reward. It is directly responsible for their loyal enthusiasm which has resulted in the substantial increase of business they have been sending in during the past few months.

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GREAT SOUTHERN
LIFE INSURANCE COMPANY

E. P. GREENWOOD, President

HOUSTON, TEXAS

The National Underwriter

LIFE INSURANCE EDITION

Thirty-Seventh Year—No. 42

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, OCTOBER 20, 1933

\$3.00 Per Year, 15 Cents a Copy

Agency Men Ready for Chicago Meet

Officers' Association and Research
Bureau Ready for Joint
Conference

PROGRAM NOW COMPLETE

Number of Vital Points Will Be Dis-
cussed at the Chicago Rally
Next Week

J. M. Holcombe, Jr., manager of the Life Insurance Sales Research Bureau has been in Chicago preparing for the annual meeting of that organization with the Association of Life Agency Officers at the Edgewater Beach hotel in that city, Oct. 23-25. M. A. Linton, Provident Mutual, chairman of the Research Bureau executive committee, will preside the first day and tell what the committee has done during the year. Manager Holcombe will present a summary of the bureau's work for the year and outline the program for the next year.

G. Fay Davies to Speak

G. Fay Davies, formerly of the bureau staff and now assistant general manager of the Northern Life of Canada, will describe the purposes of the bureau's effort to make agency officers more cost and budget conscious. There will be a play presented headed by J. R. Larus, Jr., of the Phoenix Mutual. The cast consists of J. A. Giffin, agency manager Phoenix Mutual; F. O. Lyter, assistant superintendent of agents Penn Mutual and Philip Hewes, managing editor "Manager's Magazine."

On the second day, L. J. Dougherty, Guaranty Life, and chairman of the board of the bureau, will preside. L. S. Morrison of the bureau staff will tell about how home offices can best assist their field forces and will take up the financial supervision of agencies by the home office. He will be followed by F. R. Gale, Continental American and H. M. Holderness, Connecticut Mutual, who will talk on the same subject. R. W. Simpkin, agency department Connecticut Mutual, will outline the methods this company pursued. Assistant Manager H. G. Kenagy of the bureau will take as his subject, "Planning a Production Offensive." The discussion will be led by Vice-President W. W. Jaeger, Bankers Life of Iowa, and Assistant General Manager H. W. Manning, Great West Life. The seminar graduates, 48 in number, will have luncheon that noon and in the afternoon group sessions will be held.

On the third day, J. A. Stevenson of the Penn Mutual, vice-chairman of the agency officers' executive committee, will preside in place of Chairman C. D. Devlin of the Confederation Life, who has been called abroad on business for

(CONTINUED ON PAGE 8)

Joint Actuarial Meeting On This Week in Chicago

Meetings in Chicago this week of the American Institute of Actuaries and Actuarial Society of America were packed with interest for layman as well as actuary. Four years of depression and economic trends of as yet unpredictable direction and effect have brought the actuaries face to face with problems of great importance. The Chicago meetings were heavily attended as a consequence.

The important distinction between unemployment insurance and unemployment reserves was brought out in a paper entitled "Unemployment Reserves," and was presented in the meeting of the Actuarial Society by G. W. Fitzhugh, of the Metropolitan Life. While insurance implies an absolute contract, and failure to comply strictly with its terms subjects the insurer to insolvency, a reserve plan is merely a system of building up funds for use for a specified purpose, and when these funds run out, no further payments are made or even due, and there is no question of insolvency.

Why Unemployment Is Not Insurable

Mr. Fitzhugh lists the principal reasons usually given to show that unemployment is not insurable, and then outlines the chief types of reserve plans—as exemplified by the Wisconsin law, the Ohio bill, and the J. I. Case Company plan. The high cost of an effective plan is mentioned, and the limitations of even a comprehensive plan pointed out. The investment problems are considered, and one suggested method referred to under which the reserve banks are utilized to preserve liquidity and counterbalance adverse credit effects. In an appendix to the paper Mr. Fitzhugh outlines a possible plan combining the principles of work-sharing and unemployment reserves, and limiting fixed charges.

Accidental Death Benefit

A paper entitled "Premiums and Reserves for the Accidental Death Benefit Attached to Life Insurance Policies" was presented by H. R. Bassford and J. A. Christman. This paper consists chiefly of a graduated table of double indemnity death rates based on Metropolitan Life experience, with an extension to the high ages derived from census statistics. It emphasizes the increasing rates at the older ages, and discusses the question of proper reserves for the benefit in question. Commutation columns are developed, and net premiums and tabular reserves are shown at certain ages both for life coverage and for coverage limited to age 65. A table of causes of death concludes the paper.

M. R. Hollenberg presented a paper on "Recent Developments in the Distribution of Surplus to Policyholders."

Travelers Mortality Experience

"Mortality Experience of the Travelers by Size of Policy," by J. S. Elston, assistant actuary of that company, gives its mortality experience during the last 17 years on regular standard business in seven different groups of policies ar-

ranged by size ranging from policies for \$2,000 and under to policies for \$100,000 and over. Each of these groups is analyzed as to whether on term insurance or on permanent forms.

The experience given may be considered from three viewpoints, first, a general investigation by size, second, as an additional experience to those previously published on large policies and third, as an experience on small policies compared with the general experience on the whole business, the first such experience that has been published. Some of the facts brought out are that the most favorable mortality was on the smallest policies and that in general the ratios of actual to expected deaths increase remarkably consistently with the size of the policies. The experience has been especially poor on large term policies. The total exposure analyzed amounted to \$27,000,000,000.

Discusses Inflation Effects

Possible effects of inflation in this country were viewed in the light of inflation in foreign countries by F. B. Mead, vice-president and actuary Lincoln National Life, at the opening session Wednesday of the Institute, of which he is chairman.

Inflation is here, he said, at least in anticipation if not directly. He feels that direct inflation will come more subtly here than in other countries. It will not necessarily be signalized by the roar of the printing presses turning out currency at top speed. Instead, he believes, it will result through the purchase by the federal reserve system of government securities from member banks and the crediting of these in the newly authorized notes. If this is done conservatively, it will be a good thing for the country. The whole question is whether a sane balance will be struck.

Outlines Companies' Problems

Problems before companies are conservation of assets, maintenance of productivity and morale of the home office and field force; liquidity of funds, continuance of a yield on invested assets sufficiently large to meet the guaranteed interest rate. Life company managements are particularly concerned about finding a method of avoiding depreciation of assets if true inflation should come on a large scale.

Mr. Mead discussed the possible inflation effects on stock and bond prices, showing results in France, England and Germany by means of charts. Stabilization of the franc, he said, ended extreme variations in bond prices in France and brought a steady rise. Stock prices remained steady for a year, then rose, due to speculation and satisfactory business conditions.

Purchasing power of holders of stocks did not change much until stabilization, but great reduction occurred in the case of bonds. Stock and commodity prices rose rapidly in England when the gold standard was abandoned; bond prices rose steadily.

In America, anticipated inflation brought rising bond, stock and com-

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Thompson Speaks of Panic Effects

President Actuarial Society of
America Recites History of
Depressions

REVIEWS CURRENT TREND

Makes Some Observations About In-
fluence in New Life Insurance Pro-
duction and Investments

John S. Thompson, vice-president of the Mutual Benefit Life, and president of the Actuarial Society of America, in his address at its meeting in Chicago this week dealt with the effect of panics and depression on life insurance starting with the world-wide disaster of 1873, which he regarded as a secondary post-war depression. He said that the amount of new life insurance decreased rapidly as did the number of companies in the business at a time when the indices of activity, if not of prosperity, were turning upward. Similar developments affected mutual savings banks. He said that the climax of the effect of the depression on life insurance and savings banks lagged five years behind the onset of the panic.

Spoke of the 1893 Panic

He spoke of the 1893 panic, pointing out that in 1896 was witnessed a minimum in the issuance of new life insurance. He said the low point of life insurance development was not reached until three years after the beginning of the depression.

Mr. Thompson said that similar observations apply to the less severe depressions. The current disturbance, he said, unlike those of earlier days, has affected the new business as promptly as it has impressed itself upon other activities. He said that so far as the maintenance of assets is concerned, life companies as a group have fared better than savings banks. The increase in assets of life companies in 1932, about \$394,000,000, was less than half the increase in the preceding year and a little more than a third of the increase in the outstanding year of 1928. He said that with a diminution in the amount of insurance in force it will not be surprising if a decline in assets is indicated for this year. This is due to a decrease in both new and renewal premium and in interest income and also to increased expenditures, chiefly for surrender values.

Gives Further Observations

Speaking further, Mr. Thompson said: "It is impossible to form any conclusion as to the immediate course of the life insurance business either relatively to other forms of activity, or absolutely, based on the fact that the early effects of the depression upon our life companies has been more prompt than

(CONTINUED ON PAGE 9)

Difficult Problems Ahead Are Noted

E. T. Burr Sees Home Office and Field Staffs Facing Great Tests

LOW INVESTMENT YIELD

Head of Industrial Insurers Conference Touches on Principal Issues in Annual Meeting

Although life insurance, in the industrial end as well as ordinary, has met every contract obligation and every reasonable demand made on it, and has made an enviable record of service and financial stability, there appear on the road ahead unusual situations which probably will test to the limit the ability and resourcefulness of company officials and agents, President E. T. Burr of the Industrial Insurers Conference stated in his address at the annual meeting in French Lick Springs, Ind.

One of these problems which he sees ahead is the matter of rate of interest earned on investments. One of the chief sources of income for expenses in a non-participating company, he said, is excess interest earnings; that is, the interest earned on investments over and above the amount of interest necessary to maintain the interest on reserves.

Mortgages Less Desirable

Heretofore life companies usually invested more funds in real estate mortgages than in any other item in investment portfolios, but in view of present conditions, he said, and especially of legislation enacted in some states, he believes investments of private capital in this class of security in future will be very small.

Since life companies usually invest only a relatively small part, if any, of their assets in stocks, the only other medium remaining is bonds, on which the interest yield is considerably lower than that promised by real estate mortgage loans.

The problem facing the business is to find some means by which this reduction in earnings may be offset. Mr. Burr said unless premium rates are increased it must come from economy in operation or better selection of risks. If the latter, better team work between home office and field is indicated.

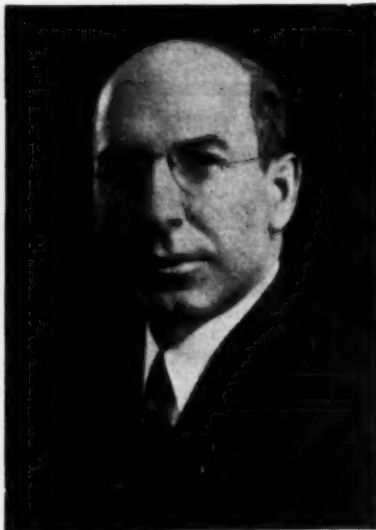
Comments on Liquidity

He commented on the loan and surrender situation, saying that while this heavy demand had not presented so much of a problem to industrial companies as to ordinary, yet it had compelled industrial companies to maintain greater liquidity of assets than was necessary in normal times and this to some degree has reduced the yield.

He said although the matter of recovery may be uppermost in most minds, the problem of taxation should not be ignored. Companies always have paid their just share, or more, of taxes levied. They do not wish to pay less than they rightfully should. He said they must, however, be on the alert to prevent unfair and unjust taxes, collected in indirect manner through insurance companies, which nevertheless are in effect direct levy on the funds of policyholders.

Mr. Burr noted as fortunate the change of the mass of the people from a negative to positive psychology on the matter of recovery and a determination to achieve it by some means. Increase in public purchasing power will benefit companies, particularly the health and

Joint Actuarial Meeting



J. S. THOMPSON

This week at the Edgewater Beach hotel in Chicago, there is being held a joint meeting of the Actuarial Society of America and the American Institute of Actuaries. J. S. Thompson, vice-president of the Mutual Benefit Life, is president of the senior society and Franklin B. Mead, executive vice-president Lincoln National Life, is head of the American Institute.



FRANKLIN B. MEAD

Bangs Heads United Mutual

Prominent Attorney in North Dakota Has Been Elected President of Indianapolis Company

INDIANAPOLIS, Oct. 19.—George A. Bangs, Grand Forks, N. D., was elected president of the United Mutual Life by the directors this week, filling the vacancy caused by the death in June of Harry Wade. He has served as a member of the board of directors 31 years. He took charge as president immediately and announced that no change in personnel of the office staff or in the operating policy is contemplated. He will move his family to Indianapolis in a few weeks. Mr. Bangs has practiced law in the northwest more than 40 years. He served as state's attorney and was attorney for North Forks 18 years. He also served as special attorney-general in the banking department and was attorney for the guaranty fund commission from 1923 to 1927.

He served as attorney for the board of managers in the impeachment trial of Judge John F. Cowan and was president of the North Dakota capitol commission that directed the building of the new state capitol. During the settlement of the North Dakota farm lands from 1908 to 1918 he was active in the establishment of new counties. After the war he was major judge advocate of the national army and served in that capacity at Washington.

accident departments, where many thousands of unemployment claims masquerading as disability claims will be eliminated.

The effect will be immediate and far reaching in relation to companies' investments. Mortgagors will find it less burdensome to pay taxes and interest, and in many cases will be able to liquidate or curtail loans.

Agency Celebrates 35th Year

BALTIMORE, Oct. 19.—The Baltimore agency of the Sun Life of Canada celebrated its 35th anniversary with a one-day drive for new business resulting in 151 applications for \$430,000 business. C. F. New is manager.

To Have a Training Course

Arrangements Are Made by the New York City Life Underwriters Association

Vice-president G. M. Lovelace of the New York Life and Vincent B. Coffin, superintendent of agencies Connecticut Mutual Life, will speak at the two-day intensive training course sponsored by the New York City Life Underwriters Association Nov 1-2 at the Metropolitan Life auditorium.

Speakers previously announced include James Elton Bragg, former head of the New York University life-insurance training course and now manager of the Guardian Life in New York City; Leon Gilbert Simon of the Equitable Life of New York, author of books on business insurance and estate conservation; R. G. Englesman, general agent in New York City, Penn Mutual Life, former N. Y. U. instructor and million-dollar personal producer; S. B. Maduro, counsel of the local association and author of many magazine articles on taxation and the estate approach.

The course will cover every major phase of life insurance selling. Tickets for the course are \$3 to members of the association and \$5 to non-members, the \$2 being credited to dues should the latter care to join the association.

Lincoln National Persistency

Michigan led all others in the Lincoln National Life in number of men having 100 percent monthly persistency record. Illinois and Ohio were tied for second and northern Indiana was third. The V. J. Harrold agency, of Fort Wayne, and the O. D. Douglas agency of Texas, were tied for first among the individual agencies represented in this honor list. In the Harrold agency, Mrs. Z. Z. Brown, F. Beach Hall, and C. F. Miller were credited with 100 percent persistency rate; while in the Texas agency Clyde Chaddick, F. J. Blanchard, and J. C. Tucker were those who had no lapse rate for the month.

Production Advance Reported

A 15 percent increase in new business in September is reported by the Bankers Life of Nebraska.

National U. S. A. Forced to Wall

Oldest and Largest Illinois Life Company Is in Receiver's Hands

CAUSE OF THE COLLAPSE

Investment Policy Was Too Lop-sided and Sufficient Diversification Was Not Practiced

The National Life, U. S. A., of Chicago, the largest and oldest Illinois legal reserve company, was placed in the hands of a receiver by Judge Lindsey of the superior court at Chicago Tuesday following a petition filed by the attorney general acting at the request of the Illinois insurance department, P. J. Lucey being named.

The company reported assets Dec. 31, \$34,878,046, insurance in force \$228,452,269, capital \$1,000,000, surplus \$614,238, special reserve \$1,700,000.

Has Been in Trouble for Months

It has been known for many months that the National Life was in dire trouble. Attempts had been made to rehabilitate it in different ways and various groups have had long and serious sessions with the officers, looking toward its purchase. The company's assets, however, in many respects are in bad shape. Its real estate amounts to 20 percent of its assets, mortgage loans 32 percent, its policy loans 27 percent, its common stocks 9 percent. It was one of the largest stockholders of the Continental-Illinois National Bank of Chicago, holding 1,150 shares, which it could have sold at one time for \$1,000 a share but which recently were quoted on the market at \$26 a share. It carried in its statement its Continental Bank stock at \$4,011,150 as of market value June 30, 1931, while at present value it could be sold at only \$287,300. The recent action of the Continental bank in agreeing to allow the Reconstruction Finance Corporation to purchase preferred stock sent the market price down.

Palmer Long in Close Touch

Insurance Superintendent Palmer has been in close touch with the National Life, U. S. A. When he had W. B. Corcoran of Lee J. Wolfe's office in New York go over the Illinois companies he found the National Life in a most acute state. He has been hoping that some method could be devised to save the company without a receivership. As time went on, however, it was evident that purchasers were shying away and the action of the Continental-Illinois National Bank in making its deal with the R.F.C. put the value of the bank stock at a low ebb. The company has been subject to demands for loans and surrenders as it became generally known that it was skating on thin ice. This tended to deplete its cash fund. So far as the insurance administration is concerned, the company has made a fine record. The professional insurance men guiding the company, who are well acquainted with insurance, did their part well.

Trouble Was "Too Much Johnson"

The whole trouble with the National Life has been "too much Johnson." Its investment policy was lop-sided and it was largely guided by A. M. Johnson, chairman of the board and its former president, who held some 90 percent of the stock. When Mr. Johnson took

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A. Wall New Executive Is Man of Ability

F. V. Keesling Takes His Post as
Head of American Life
Convention

HAS A WIDE EXPERIENCE

Three General Agents Gave Their
Views as to Work of Agency
Officers

The members of the American Life Convention realized when the new president, Francis V. Keesling, vice-president of the West Coast Life of San Francisco, took the chair at the close of the annual meeting last Friday in Chicago that a man of resourcefulness, charm and pungent wit had been elected. When the retiring president, Daniel Boone, president of the Midland Life of Kansas City, turned the gavel over to the new executive, Mr. Keesling at once showed that he is in complete command of himself while presiding. He is regarded as one of the strong men of the organization, who has had a wide experience not only in law but in general administrative affairs.

Ready with an Interview

He had an interview all ready to give out to the press, showing that he is forehanded. He predicted in his statement that there should be a substantial increase of new business during the latter part of the year. He said that life insurance has withstood a very severe strain and demonstrated the soundness of the legal reserve principle. He said that the experiences through which the companies had passed have indicated some improvement should be made to eliminate unwarranted benefits and bring about a revision of values and premiums. He said that the future course of life insurance will be charted more closely by the protection theory, avoiding as much as practical the realm of banking. He said that life insurance management has always demonstrated an understanding of fiduciary responsibility and the strenuous times through which the companies have passed has emphasized this.

Should Hold Down Taxes

President Keesling said it is the personal cause of every policyholder to co-operate to prevent unreasonable tax levies on insurance. At the same time he said policyholders should protest against the extravagance and inefficiency in public office and insist on governmental economy, limitation on public indebtedness and also resist shifting of unjust burdens on life insurance.

The new president is a native of California, having been born in San Jose, Feb. 17, 1877. He graduated from Stanford University in 1898. He has just completed several years service in behalf of the community chest of his city, having been chairman of the building fund committee, a member of the general executive ways and means committee. He is a member of the executive committee of the California Republican central committee. He is also a director of the Golden Gate Bridge & Highway District and chairman of its building committee.

Mr. Keesling served as president of the Stanford alumni association in 1919. For many years he was with the national guard of California and retired with the rank of major in 1909.

The agency executives as well as others, who were present Friday morn-

State's Attorney Will Press Prosecution of Security Men

E. J. STEVENS WAS CONVICTED

Former Vice-President of the Illinois
Life Is Now Facing Peniten-
tiary Sentence

Following the conviction of Ernest J. Stevens of Chicago on a charge of embezzlement, who was vice-president and a member of the finance and executive committees of the Illinois Life, State's Attorney Courtney of Cook county announces that he will push for an early trial of the indicted president of the defunct Security Life, M. J. Dorsey, and his cohorts. President Dorsey and eight others were indicted in April on charges of conspiracy to defraud stockholders and policyholders of more than \$1,000,000 by means of inflated mortgages.

Mr. Stevens' trial was concluded on Saturday, the charge being that he participated in granting loans of over \$1,000,000 of Illinois Life money to the Stevens hotel, when the latter was in a hopeless financial state. Mr. Stevens contended that he did not personally profit by the transaction and that the affairs of the life company were in the hands of his father and brother. Mr. Stevens is manager of the Stevens hotel, which is under receivership.

ing when the Agency Section was in charge, deeply appreciated the contribution that Donald Keane of the Keane-Patterson agency of the Massachusetts Mutual Life of New York City, Gerald A. Eubank, life manager of Johnson & Higgins of that city, and Thomas M. Scott of the Penn Mutual of Philadelphia made to the occasion through broadcasts of records that had been

Presides Over Meeting of Industrial Conference



E. T. BURR

E. T. Burr, actuary of the Durham Life, presided as president of the Industrial Insurers Conference at its annual meeting this week at French Lick Springs.

made. They all expressed their views as to what general agents think of agency executives.

Clark Hearing Oct. 23

DES MOINES, IA., Oct. 19.—Chief Justice Stevens of the Iowa supreme court, has ordered a full bench session for Oct. 23 for submission of the suit involving E. W. Clark's right to his position and salary as Iowa insurance commissioner.

Consider Means of Meeting Conditions

Industrial Insurers Conference in
Annual Meeting at French
Lick, Ind.

ROUND TABLE SESSIONS

Quality Rather Than Volume Is
Stressed—Loss Ratio of Members
Continues to Increase

NEW OFFICERS ELECTED

President—R. H. Dobbs, Industrial Life & Health, Atlanta.
Vice-President—G. R. Kendall, Washington National.
Secretary—W. B. Clement, Pilot Life.
Chairman Executive Committee—P. W. Jones, Bankers Health & Life, Macon, Ga.
Members Executive Committee—E. T. Burr, Durham Life; P. H. Estes, Life & Casualty; J. H. Leal, Interstate Life & Accident; O. E. Starnes, Imperial Life; C. S. Drake, Empire Life & Accident; C. A. Craig, National Life & Accident; W. R. Lathrop, Southern Life & Health.

By FRANK A. POST

FRENCH LICK, IND., Oct. 19.—The best means of meeting the changed conditions today formed the chief topic at the annual meeting here of the Industrial Insurers Conference.

The added opportunities and responsibilities given to the industrial business under the NRA and other measures in the national administration's recovery program really formed the keynote of the addresses given at the opening session Monday. That point was stressed by H. N. Lukins of Louisville, general counsel of the Washington National, who gave the address of welcome; by P. M. Estes, general counsel Life & Casualty, in his response; by President E. T. Burr in his annual address and by Mark Archer, general counsel Empire Life & Accident, Indianapolis, in discussing the problems of his department, while the address of C. M. Biscay, Western & Southern Life, was given over wholly to that subject.

Old Principles Are Sound

Mr. Lukins said that the past few years have afforded unusual opportunities to learn things, one of the foremost of these lessons being that when the old principles were forsaken, it was necessary to return to them. While business has been assured many times that the quakes were over, he declared that now business is unquestionably improving and the opportunities to serve policyholders are increasing. With insurance in general the greatest factor in maintaining stability, he said the industrial business has done more than any other for the working classes.

Tells of Changes in 24 Years

Mr. Estes also sounded an optimistic note in regard to business conditions and spoke of the improvements in the 24 years since the founding of the conference, both in the material position of the companies and in morale, referring to the bitter competitive feeling of the early days, often resulting in actual physical combat, and comparing it with the good feeling today.

Captain Burr devoted most of his address to a discussion of the effect on the industrial business of government activities, mentioning the dangers of such an extension of power and emphasizing the benefits, particularly the prospective elimination of unemployment claims masquerading as disability. He also reviewed the investment situation, the possible effects of inflation, the pol-

(CONTINUED ON LAST PAGE)

INDIAN SUMMER

A brilliant shroud of flaming gold and red,
Of color manifold, intensely spread;
No saddening requiem of pain and grief,
But flaring glories stain the falling leaf.
So gloriously summer yields and dies,
In blazing woods and fields and flaming skies.

—Don Rose, Philadelphia Evening Ledger.

During this glory season of the year we give our wholehearted approval to Nature. We have a sense of well-being. And we go with joyful courage to the duties of our days. This is one period that is devoid of climatic resentment or complaint.

Indian Summer seasons labor with an exhilaration of spirit that not even Spring induces. Augury for the next two or three weeks forecasts life underwriting done in volume and without inordinate sales resistance.

THE PENN MUTUAL LIFE INSURANCE CO.

WM. A. LAW, President

Independence Square

Philadelphia

New Deal Quickens Interest in Home Life, Says Biscay

INSURANCE SALE STIMULATED

Western & Southern Official Cites Benefits from Depression in Talk to Industrial Insurers

A number of effects of the depression and post-depression period beneficial to industrial insurance men were cited by C. M. Biscay, advertising manager Western & Southern Life, at the Industrial Insurers Conference meeting in French Lick Springs, Ind., this week. Never before has the public learned such a bitter lesson against the dangers of speculation, he said.

Under the new deal people are working shorter hours and becoming better acquainted with their families and home life. This has afforded insurance men more and better opportunity to sell prospects in their homes. Additional family life quickens the desire for protection.

Mr. Biscay said newspapers are carrying stories of a greater number of mar-

riages. He said one of the first duties of an industrial agent is to insure bridegrooms. The upward trend of industry is a call to action for insurance men. Now is the time to start.

Public confidence in all forms of insurance was never higher than at present, he said. As a result of the depression many people have less insurance than they had a few years ago and countless others have no insurance whatever, although they believe in it and want it. Mr. Biscay said the new deal calls for confidence, courage, aggressiveness, determination and fight.

Seattle's C. L. U.'s Elect

SEATTLE, WASH., Oct. 19.—Lawrence Bates, Seattle general agent of the Mutual Benefit Life has been elected president of the Seattle Chartered Life Underwriters chapter. C. G. Quillian, Northwestern Mutual, was chosen vice-president and R. G. Jones, New World Life, was made secretary-treasurer. William Laney, Phoenix Mutual, and George Buck, a retiring president, were elected trustees.

New superintendency appointments announced by the Western & Southern Life are W. C. Billeg, Louisville; D. W. Kelly, Coshocton; Oral F. Yocum, Erie.

Decline in September's Sales Total Is Reported

NEW YORK, Oct. 19.—New life insurance production for September was 9.7 percent less than for September, 1932, according to the Life Presidents Association. Industrial, with a gain of 3.4 percent for September, was the only class to show an increase. For the first nine months, the cumulative total for all classes was 17.9 percent less than for the corresponding period of 1932.

September production totaled \$577,776,000 contrasted with \$639,937,000 for September, 1932. New ordinary amounted to \$374,643,000 against \$404,763,000, a decrease of 7.4 percent. New industrial amounted to \$180,105,000 against \$174,156,000. New group was \$23,028,000 against \$61,018,000, a decrease of 62.3 percent.

For the first nine months total new business was \$5,758,935,000 against \$7,013,697,000 last year, a decrease of 17.9 percent. New ordinary amounted to \$3,813,276,000 against \$4,590,031,000, a decrease of 16.9 percent. Industrial amounted to \$1,711,549,000 against \$1,939,468,000, a decrease of 11.8 percent. Group amounted to \$234,110,000 against \$484,198,000, a decrease of 51.6 percent.

Milton Says Agreement Is to Be Carried Out in Full

CONFERS WITH ASSOCIATES

Chairman of the Board of the General American Life Comments on the Purchase

ST. LOUIS, MO., Oct. 19.—David Milton, head of the Equity Corporation of New York and chairman of the board of the General American Life has been here to confer with his business associates. He spent considerable of his time in conference with Walter W. Head, president of the General American Life, which purchased the assets and insurance of the Missouri State Life. Mr. Milton is a son-in-law of John D. Rockefeller, Jr.

Under the purchase agreement entered into with Superintendent O'Malley the General American Life has been meeting all matured claims of the old company and has continued its insurance in force. Some of the policies are subject to a lien of 50 percent of the accumulated reserves.

To Get More Directors

It is anticipated that the General American Life at an early date will announce the completion of its board of directors. Four more men are to be named. It is believed that three St. Louisians and one Chicago business man will be selected to round out the board.

Mr. Milton said his people intend to retain control of the General American Life during the entire 15 years the agreement for the purchase of the Missouri State has to run.

"At the end of this fifteen-year period we fully expect to reinsure all of the Missouri State Life's insurance that may still remain in effect," he continued. "The fact that such reinsurance is optional on our part, according to the terms of our purchase agreement with Superintendent O'Malley, is of no importance. I do not agree that the insurance still in force in 1948 will be a poor risk."

Seasoned Business Is Good

"Insurance people generally consider seasoned business good business. While mortality will be somewhat higher, due to the advanced ages of the insured, reserves will likewise be higher and earnings correspondingly more. Experts have advised us that at the end of this fifteen-year period the insurance still in force should be worth conservatively \$7.50 per \$1,000."

Mr. Milton stated that he and associates were induced to invest \$2,000,000 in the General American Life in the belief that life insurance is the most conservative investment which could be made, offering as it does a medium for the employment of investment funds which is not susceptible to the vicissitudes of the stock market and its many fluctuations.

He pointed out that the entire \$2,000,000 had been paid in cash and constitutes a guaranty that the new company will faithfully discharge all of the obligations it assumed. One of the guarantees is that death claims shall be paid promptly and in full and that the 50 percent lien imposed on some of the insurance of the old Missouri State Life will never grow greater if interest is paid by the policyholder.

It has been revealed that the General American Life has paid out \$993,378 in claims to the policyholders of the Missouri State Life since it took over the business of the old company Sept. 7, last spring.

September Business 15 Percent Better

Paid business for the Herley Daily, Kansas City, Mo. general agency of the Connecticut Mutual Life increased 15 percent in September compared to September, 1932.



ORGANIZED SELLING METHODS

To obtain results today, your
Selling Methods must be orderly
and convincing—

The Minnesota Mutual's easy,
natural and graceful Selling Methods
are orderly and convincing

THE MINNESOTA MUTUAL LIFE INSURANCE CO.

Saint Paul, Minnesota

An Important Message to the Fraternity of Insurance Underwriters

IN the short space of eight months, Calometer, both as a product and as a plan, have become recognized as outstanding factors in the field of insurance sales.

The "why" of Calometer's success is clearly understandable.

In its creative stage, Calometer enjoyed every possible advantage. It profited by our long experience with insurance problems. Reference to our record will show that the Zell contact with insurance companies and their general agents, is one of many years standing.

Therefore, in designing Calometer, we were able to draw on this good-will feeling and to consult the keenest insurance minds. Their opinions were valuable and helpful. In evolving this product and plan, we gratefully acknowledge the assistance given us by the executives of some of America's foremost companies.

If there were any "kinks" in so new an idea as Calometer, then conferences and round-table discussions removed all of them prior to Calometer's eventful introduction.

So, in March 1933, after more than a year of careful planning, Calometer was

completed and took its place among insurance promotions. Today, it stands shoulder-to-shoulder with the best . . . we are highly gratified.

Calometer — Now Being Imitated

Competition, often asleep to formulating original ideas of its own, is ever awake and keen to copy! We now find that Calometer is being imitated. It is therefore our unpleasant, yet necessary, duty to publish this message as a warning to Calometer imitators and as a word of protection to Calometer users.

Calometer Is A Fully Patented Product

It is covered by basic U. S. Patents issued and pending. Even the Calometer Plan enjoys broad, as well as specific, copyright safeguards. In the face of such rights, we fail to comprehend the reason for imitation, unless possibly it is to munch the sweetness of another man's grass.

Calometer proposes to protect its rights and your rights. . . . In the spirit of fair play and sound salesmanship, Calometer will count upon your square-shooting support.

See this Coin Bank!..CALEMETER..Study this Sales Plan!

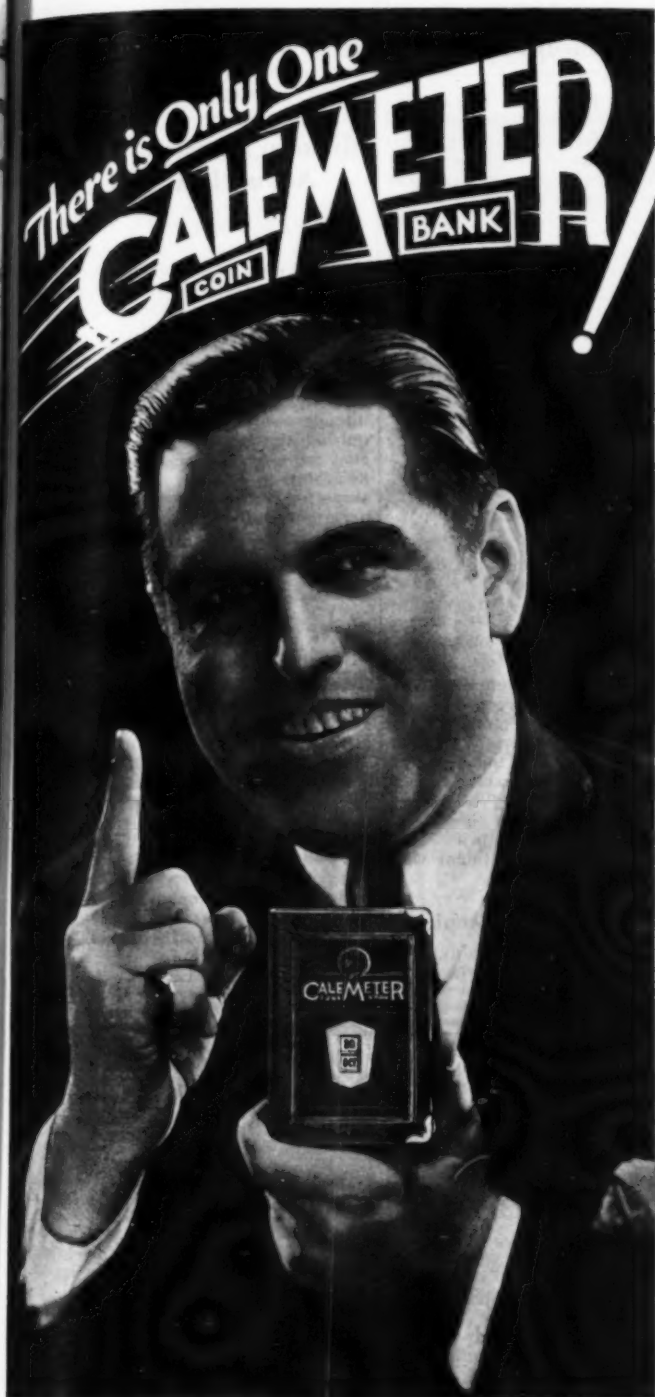
To home offices, general agents and individual agents, we give you all this opportunity to learn more about Calometer. We'd like you to see the actual bank. . . . Operate it. . . . See why and how it helps you to hold the prospect's interest. Visualize it as a good-will asset. You'll quickly appreciate its ability to

TO-DAY!
SEND
\$1.00
FOR
SAMPLE
PRESENTATION

assist your sales. Then study the Calometer plan of action . . . the prospect-finder and appointment-maker . . . the coin-a-day conversion chart . . . and the letter helps.

Write today for sample Calometer Coin Bank and complete specimen presentation. Enclose \$1.00 with your letter to cover costs and mailing.

ZELL PRODUCTS CORPORATION
Originators—Patentees and Manufacturers of Proven Sales Ideas
536 BROADWAY NEW YORK, N. Y.



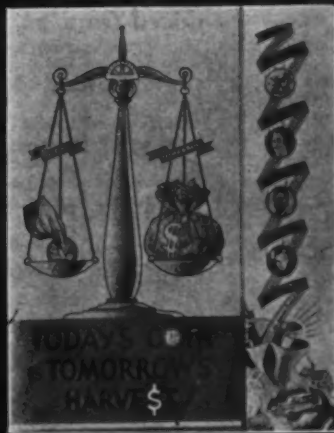
Calometer's Resultful Prospect-Finder

. . . This intriguing piece captures attention, sustains interest, prompts quick action and arranges appointments. Patented for your protection and exclusive use.

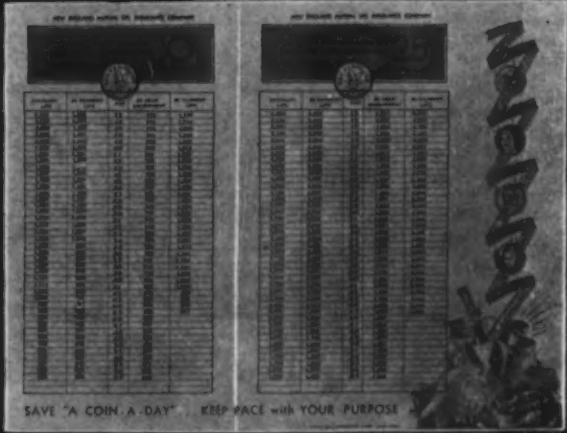
...and there is Only One CALEMETER SALES PLAN!



Highly Regarded!



Interesting to Prospects!



A Convincing Coin-a-day Conversion Chart!

Liability for Death from Illegal Operation Debated

FIVE MAJOR POINTS CITED

Chicago Insurance Lawyers Club Considers Question on Which Precedent Is Against Companies

In consideration of the question whether a company is liable to pay proceeds of a policy where the policyholder's death results from submission to an illegal operation, there are five points to be settled, P. E. Price of McKinley & Price, Chicago insurance attorneys, stated in a paper read Tuesday at the October meeting of the Insurance Lawyers Club of Chicago:

(1) Liability under such circumstances in the absence of an incontestable clause; (2) whether the policy is payable to insured's estate; (3) whether payable to a named beneficiary; (4) effect of incontestable clause as excluding a defense based upon public policy; (5) effect of clause expressly excepting liability where death results from intentional violation of criminal law.

Cites General Rule

He said the Wells case of Pennsylvania and Hatch case of Massachusetts gave rise to a general statement in encyclopedias and text books that the act of the assured in submitting to an illegal operation, on grounds of public policy precludes recovery by the beneficiary for the death so caused, but courts have not given general approval to this and the majority seem to have concluded that in absence of an express provision in the policy excepting such risks, the company is liable.

Mr. Price said it appears to him where the policy is payable to named beneficiary and it is impossible to show

that beneficiary had any part in commission or procuring commission of the alleged illegal operation, that apart from provisions of the incontestable clause, the company will be liable for the full amount in event of a contest. Analysis of cases, he said, discloses that denial of liability has been limited to cases where the policy is payable to assured's estate.

Limitation on Contesting

It is generally accepted that where the policy provides it shall be incontestable after being in force for a certain period, the company cannot after such time contest a claim on the ground that the assured died as result of his own criminal act, even though the policy also provides it shall be void if death results from such an act.

Mr. Price said where the policy contains a clause expressly excepting liability from death arising out of intentional violation of criminal law, it is his opinion the trend of modern cases is that such an excepted risk would not generally be cut off by the existence of an incontestable clause.

Agents Charged With Rebating

LINCOLN, NEB., Oct. 19.—The Nebraska Life Agency Managers Association, by R. C. Harris, president, has filed complaint against the Occidental Life of Los Angeles, and C. F. White, F. J. Burns, J. J. Wurtz, B. L. Koopman, W. I. Kortwright, Lee Stennett, W. J. Berlo, and Fred E. Spencer, its general and special agents in the state, charging them with violations of the insurance statutes, and asking that the licenses of the company and of the agents named be cancelled and revoked. A hearing will be held Friday at Omaha, where Mr. Harris has his offices and where the state headquarters of the company are located. It is charged that as a general practice and upon numerous occasions, for the purpose of inducing people to make applications they have rebated.

Sharp Increase in "Apps" Boosts Insurance Sales

The Connecticut Mutual Life's September paid business increased 3.3 percent over September, 1932. The number of paid-for applications increased 15.4 percent. September paid business including guaranteed endowment annuities amounted to \$6,957,707 and applications totaled 1861.

The decrease in business early in the year has been steadily cut down during recent months until it is now only 13.5 percent below last year's level, although the number of applications is 3.8 percent ahead.

The single premium annuity business of the Connecticut Mutual has been showing substantial increases for the past three years and for the first nine months of 1933 was 222 percent ahead of last year. More than 50 percent of the Connecticut Mutual agencies showed gains in September.

The San Antonio, Tex., Lincoln National Life general agency shows a 45 percent increase in paid business for the first nine months.

New annuity premiums of the Lincoln National Life increased 31 percent for the first nine months of 1933.

* * *

The Detroit ordinary agency of the Prudential smashed all its records for a single day's production. Starting at 7 a. m. the staff of approximately 35 men rolled up a total of 131 new business applications for \$513,666, exclusive of group, wholesale and salary allotment cases written. The force gathered at midnight to receive final returns. Miss Wilson of the cashier's department was responsible for 26 applications.

Hartwell Secretary of Peoples

Maurice Hartwell, who for a number of years has been actuary for the Peo-

ples Life of Frankfort, Ind., has been appointed secretary. Mr. Hartwell filling a vacancy caused by the resignation of Don Trent, secretary, who became effective Oct. 14. He had submitted his resignation two weeks before.

Missouri Legislature to Act on Insurance Matters

JEFFERSON CITY, MO., Oct. 19.—In his message to the Missouri legislature when it convened here in special session on Oct. 17 Governor Frazier touched on needed laws to strengthen the supervision of insurance companies to prevent so far as possible a repetition of the Missouri State Life collapse.

His recommendations as to insurance laws followed the suggestions of Superintendent O'Malley, including laws requiring the registration of all life policies, authority for the superintendent of insurance to conduct operating receiverships for insurance companies, an act to permit insurance companies holding real estate and mortgages to insure companies to take advantage of the provisions of the Home Loan Owners Corporation law.

Ingalls Kimball Dies

Ingalls Kimball, director of group annuities of the Metropolitan Life, died at the company's sanitarium at Mount McGregor, N. Y., Oct. 16. He was 38 years old. Mr. Kimball was among the pioneers in the writing of industrial pensions by life companies. He joined the Metropolitan in 1921 and four years later was made director of group pensions. He wrote extensively on group pension plans.

Ben R. Hamilton, vice-president of the Pyramid Life of Little Rock has been appointed head of the publicity and educational division for the community chest campaign in Little Rock.

PIONEER WOMAN - PIONEER COMPANY



The NATIONAL LIFE INSURANCE COMPANY

was one of the pioneer companies in establishing and developing mutual legal reserve life insurance in the United States. From the very beginning, for instance, 83 years ago, the National insured women. Here, reproduced from an old daguerreotype, is our first woman policyholder, Mrs. Laura Ann Peaslee Webster (and her son) insured in our first year of business, 1850. The National, too, was one of the pioneers in putting the insurance of women on the same rate basis as men.

NATIONAL LIFE INSURANCE COMPANY

Montpelier, Vermont

Valuation Basis Is Now Being Fixed by Committee

HAD MEETINGS IN NEW YORK

Standard Statistics Company Gets Contract for the Preparation of Security Quotation Manual

NEW YORK, Oct. 19.—Progress was achieved by the sub-committee of the committee on valuations of the National Convention of Insurance Companies at its meeting here, and a further gain toward completion of the work may be expected to result from the November gathering. The preparation of the security quotation manual has again been entrusted to the Standard Statistics Company of this city, which had the contract last year. As probably 90 percent of the manual is devoted to giving valuations of state and municipal bonds, it is highly essential that a basis for their treatment be agreed upon at the earliest possible date.

Municipal Bond Figures

The values of primary municipal bond issues allowed by the National Convention last year, it is recalled were almost identical with the prevailing market quotations, and company men figure a like condition will obtain at the close of 1933. While life offices and fraternal institutions invest a considerable percentage of their funds in state and municipal bonds of first rank, casualty and fire offices do so to a far lesser extent, their preference being to buy securities that can be quickly converted into cash. Life companies, on the other hand, anticipate no such condition and make their investments with a view to long holding.

Medical Directors Elect

Dr. Robert A. Fraser of the New York Life is the new president of the Association of Life Insurance Medical Directors, having been elected at the annual meeting in Toronto. The first vice-president is Dr. Fred L. Wells, Equitable of Iowa, second vice-president, Dr. E. F. Russell, Mutual Life of New York, secretary, Dr. E. G. Dewis, Prudential, treasurer, Dr. A. O. Jimenis, Metropolitan, editor of the proceedings, Dr. S. B. Scholz, Jr., Penn Mutual.

Consideration of the practical application of the electrocardiogram in life insurance was an important feature of the program. A paper on this subject was presented by Dr. H. E. B. Pardee of New York, prominent heart specialist. Among the other papers presented were those by Dr. Louis I. Dublin, Metropolitan Life, Dr. A. H. W. Caulfield of Toronto, Dr. Herbert Old, Provident Mutual, and Herbert Marks, Metropolitan.

Mutual Life's Tax Action Approved by Highest Court

WASHINGTON, D. C., Oct. 19.—Action of the Mutual Life of New York in charging off \$4,398,251, representing the value of securities held by it in Austria and seized by the Austrian government in 1917, in its income tax return for 1920 was approved by the United States Supreme Court Oct. 16 by its denial of a petition by the government of a review of a decision of the second circuit court of appeals.

The deduction claimed by the company in its 1920 return was disallowed by the commissioner of internal revenue on the ground that Austrian rents given by the government in return for the seized bonds did not constitute a bad debt but were still valid obligations the loss, if any, being due not to refusal or inability to pay but to depreciation in

Connecticut Mutual's Educational Director



E. C. ANDERSON

Missouri State Life Still Target for Court Attack

Three motions to set aside the order of Circuit Judge Hamilton of St. Louis forfeiting the Missouri State Life charter and directing its dissolution, following the sale of business and assets to the General American Life, were filed in the circuit court by counsel for a general creditor and attorneys for various policyholders. Attorneys for G. F. Paisley filed one motion. Mr. Paisley claims he holds a perpetual contract with the old International Life as general agent, has a suit for \$750,000 pending against the Missouri State and International Life for alleged breach of contract which was terminated by the Missouri State after it had reinsured the International in 1928. The jurisdiction of Judge Hamilton is questioned.

Another motion was brought by Ephraim Caplan on behalf of himself and four policyholders. It challenges the judge's right to issue the dissolution decree while a petition for a writ of certiorari recently filed by Caplan seeking review of the proceedings under which the lower court approved the sale of the General American Life still is pending before the Missouri supreme court.

A third motion was filed by Joseph Goodman, an attorney and policyholder of the Missouri State Life, asking that both the dissolution order and order approving the sale to the General American be set aside, both on the ground of lack of jurisdiction and alleged illegality of the sale.

W. P. Tate, actuary of the Kentucky insurance department, is named receiver in Kentucky for the Missouri State Life on application of the insurance commissioner. S. M. Saufley, former insurance commissioner, was appointed receiver for the same company by Judge Allen at Louisville.

Circuit Judge Hamilton of St. Louis, acting on petition filed by Insurance Superintendent O'Malley, has entered an order forfeiting the state charter of the Missouri State Life and directing its dissolution.

the dollar value of the unit of payment. The company appealed to the United States board of tax appeals which reversed the commissioners' decision, its opinion being affirmed by the circuit court of appeals.

J. F. Guinan has been appointed superintendent of the Prudential at Malden, Mass. He was formerly an inspector in Division C. He entered the ranks as an agent in Boston No. 1 in 1926.

Nylic Annuities

In order further to meet the demand for retirement incomes among men who must also have protection for their families until their policies mature, the New York Life has just issued a new contract called the Annuity Endowment.

This contract provides for an annuity of, say, \$100 a month to start "automatically" at age 65 with an option of \$13,400 as a cash endowment in lieu thereof, and also provides guaranteed values in event of lapse. Provision is also made in this flexible contract for annuities to begin at various optional ages.

Insurance protection for beneficiaries is provided up to age 65. For a \$100 monthly annuity, \$10,000 or the guaranteed cash value, whichever is greater, would be paid at death. The cash value would exceed \$10,000 in the later years of the contract.

For women who want a retirement income without protection for their families, there are retirement, accumulative and immediate annuities. For women who want a retirement income with protection for their families, there is a wide variety of endowment contracts with optional annuities. All New York Life endowment or life policies now being issued offer the insured an annuity under the optional methods of settlement.

The New York Life agent is thus well-equipped with contracts to meet the growing popular demand for life incomes guaranteed by a strong, legal reserve life insurance company.



HOME OFFICE BUILDING

NEW YORK LIFE INSURANCE COMPANY

51 MADISON AVENUE
NEW YORK, N. Y.

National, U. S. A., Is Forced to Wall

(CONTINUED FROM PAGE 2)

over the company its portfolio was badly spotted. He, however, strengthened it materially, got rid of the "cats and dogs" and really had investments of high order. Then like a number of other business men he reached far beyond his depth and engulfed the National Life in investments of a character that should not have been made. It owns a site on North Michigan boulevard in Chicago in the neighborhood of the Drake hotel, which has been unremunerative. It owns the Michigan Mutual Life building in Detroit, having taken over that company some years ago. It has \$2,362,968 farm mortgages and \$13,220,916 other than farms. Its state bonds are \$1,669,745, railroad \$802,344, public utilities \$668,869, miscellaneous \$504,056.

In the past it has been a profitable institution. In 1920 it declared a cash dividend of 14 percent; in 1921, 20 percent; in 1922, 20 percent; in 1923, 50 percent cash dividend and 100 percent stock dividend; in 1924, 20 percent; 1925, 25 percent; 1926, 25 percent; 1927, cash 30 percent and stock 100 percent;

1928, 25 percent; 1929, 100 percent; 1930, 50 percent. It declared no dividends in 1931, 1932 or this year. It has borrowed extensively from the Reconstruction Finance Corporation. Dividends paid to stockholders since organization amounts to stock \$1,500,000 and cash \$6,165,000. Its home office building site is carried at \$3,000,000 and the Michigan Mutual building \$996,760.

Robert D. Lay, who for many years was vice-president and secretary, became president in 1926, succeeding Mr. Johnson, who then was made chairman of the board. Mr. Lay is regarded as a sagacious insurance executive. He started with the company in 1902, taking a minor position and gradually worked up through various departments to its head.

Walter E. Webb, executive vice-president, has been head of the production department, and has made an excellent reputation in building up and developing an agency plant.

E. B. Moyer is secretary, he going with the company in 1900 and serving many years as assistant secretary and then assistant vice-president.

Dr. W. A. Jaquith is vice-president and medical director; B. P. Sears, vice-president and general counsel; H. L. McCourtie, vice-president, and E. R. Carter, actuary.

The National Life was chartered by a special act of Congress July 25, 1868, and was reincorporated under the Illinois law in 1904. In addition to the Michigan Mutual Life in its early days the National Life inherited the Iowa Life, the Northwestern Life of Chicago and the National Life & Trust of Des Moines.

Insurance Superintendent Palmer hopes that within 30 days something can be done toward taking over the company, either through purchase by some other company or by some plan so that the smallest amount of loss will follow. The capital and surplus naturally are all wiped out and the reserves are impaired, possibly about 25 percent or more. A movement is on hand to organize a new company to take over the assets and the business, following the plan adopted by the Missouri State Life. Mr. Palmer in a statement said:

"In order to conserve the assets of the National Life U. S. A. for the benefit of policyholders and with the intention of effecting a prompt reinsurance of the business, the insurance department, . . . while it will be necessary to place a temporary lien upon the reserves of the company has every confidence that a reorganization or reinsurance will be effected without undue delay so that the best in-

terest of the policyholders will be protected and they will suffer no intimate loss. The receivership and all proposals to rehabilitate, reorganize or reinsure the business and assets of this company will at all times be under the direct supervision of the department of insurance."

TO HAVE MICHIGAN RECEIVERSHIP

LANSING, MICH., Oct. 19.—Informed of the receivership action in Chicago involving the National Life, U. S. A., Commissioner Gauss said that an ancillary receivership would undoubtedly be asked immediately in Michigan. An inquiry had been made recently by the department, however, relative to the company's financial status and officials of the National Life had informed the department that the company's cash position had recently been improved by more than \$900,000. The receivership is expected to have far-reaching reverberations in Michigan because of the fact that this company purchased the old Michigan Mutual Life of Detroit which had built up a good business in this state.

Its license in Washington and Wisconsin was recently cancelled.

Big Week for Life Agency Executives Being Planned

(CONTINUED FROM PAGE 1)

his company. The agency officers' associations two most important activities are financial independence week and the work of the committee on replaced business. H. M. Holderness, Connecticut Mutual, will report on the first topic and Vice-President F. L. Jones, Equitable of New York, on the second. Vice-President D. G. Hunter, Phoenix Mutual Life, will explain the need for home office leadership at this particular time. Vice-President R. H. Rice, Jr., National Fidelity Life, will tell how his company keeps its men at work. President J. A. Fulton, Home Life of New York, will be the last speaker.

H. E. Aldrich, Equitable of Iowa; C. D. Devlin, Confederation Life; L. J. Dougherty, Guaranty Life; H. W. Manning, Great West Life, and J. A. Reynolds, Detroit Life, members of the board of bureau retire this year, their terms expiring.

Guy C. Smith, general sales manager, eastern division of Libby, McNeill & Libby, will speak on "Selective Selling" at the Wednesday afternoon session. He was formerly sales and advertising counsel, and director of research for his company, and professor of economics at the University of New Hampshire. He will precede James A. Fulton on the program.

Joint Actuarial Meeting on This Week in Chicago

(CONTINUED FROM PAGE 1)

modity prices. There was a wide fluctuation in 1931 in the market for U. S. Treasury 4½s maturing in 1952, there being a decline of some 15 points in a short time near the end of the year.

Uncontrolled inflation in Germany made valueless a large proportion of assets of institutions, including life insurance. It became necessary to compromise, there being great loss to policyholders. One company offered endowments at 85 purchasable by about 17 percent of the nominal values in policies. After the adjustment there was approximately a billion insurance in force. Need for more insurance due to depreciation was stressed, and amount in force increased 50 percent in the next year and 40 percent the succeeding year. At present there is about as much in force as before the inflation occurred.

President J. S. Thompson of the society, vice-president Mutual Benefit, read his presidential address Wednesday afternoon. It is presented in part elsewhere in this issue.



Young Strong Aggressive

THE Great American Life Insurance Company is proud of its youth, proud of its unusual financial strength and proud of its record of aggressive achievement during the past three years.

Inquire about our liberal agency contract and modern line of up to date policies. Territory available to progressive agents in Texas, Colorado, Louisiana, Idaho, and North Dakota.

Capital and Surplus now in excess of \$500,000.00.

THE GREAT AMERICAN LIFE INSURANCE CO.

Chas. E. Becker, President

Old Line

Legal Reserve

HOME OFFICE: SAN ANTONIO, TEXAS

Thompson Speaks of Panic Effects

(CONTINUED FROM PAGE 1)

In earlier depressions. The behaviour of our investments will have a most important bearing upon our profits for a number of years. Conditions which promote the payment of interest and capital when due and the reinstatement of obligations now in difficulty, will mean nothing else but fairly general recovery and both the acquisition of new life business and the conservation of old will be promoted. The reverse is also true.

Speaks of Mortgage Loans

"In connection with the future of mortgage loans, it may be worth recording that, following the panic of 1873, the foreclosure account of one well-established company did not reach a maximum either absolutely or as a percentage of ledger assets until 1881 and following the panic of 1893, the maximum was not reached until 1899. At each of those times the influences which were tending to restore normal conditions, if such influences may be said to operate from the onset of a depression, were obliged to operate for six years before striking deep enough into the economic structure to make the sales of foreclosed real estate exceed the new acquisitions. It was several years later in each case before the volume of foreclosed real estate had been reduced to modest proportions. This experience may be repeated with variations.

Difficult to Compute Interest Rate

"Again, the present state of mortgage investments and bond investments makes it exceedingly difficult to compute the rate of interest which a company is actually earning. Not all interest in arrears need be looked upon with suspicion but much of it cannot properly be regarded as an asset. Hence the calculation of an earned rate is not only a mathematical process involving facts but an economic one involving judgment in the appraisal of current conditions. It would be a bold prophet indeed who would attempt any forecast of the net rate earned, even within the coming year. But it would be the course of caution to proceed on the assumption that the next year's rate would not exceed that actually received in cash at the present time.

"One thing, however, is clear. Life companies have earned in earlier times rates as low as those now current and such rates have proved to be temporary only. And with the return of more favorable net earnings have come always greater levels of achievement and prosperity than those previously attained."

\$100-a-Month-for-a-Year Income Plan Going Well

Sale in the Travelers' organization of units of \$100-a-month income for a year, payable to a named beneficiary, with the purpose of making specific provision for readjustment following the policyholder's death, has been unusually large. The Travelers has issued 3,000 of these contracts in the last few weeks, and 5,000 have been written. This arrangement made possible through the limited installment settlement option in the regular ordinary policies.

Other companies are employing the same arrangement and also have had good results. The Travelers, however, has copyrighted a binder form which facilitates sales of additional units. One of the blanks may be executed upon delivery of the first amount applied for. This entitled the applicant to take another unit any time within 90 days without additional examinations, rather than the usual 60-day limit. As each unit is delivered another binder may be executed. Thus it is made easy for

the applicant to build up a substantial amount over a short period.

Each unit of approximately \$1,180 insurance means \$100 a month to beneficiary for a year, or nearly \$10 a month at retirement age of insured, for life. The presentation is purely on this basis.

The Travelers also is applying the form to salary allotment insurance, limits being \$1,000 to \$15,000. This is issued on non-medical basis. The rule as to monthly minimum premium of \$2.50 required has been modified as applying to the \$100-month for a year form, the minimum premium permitted being that

applying to one unit. In the special national campaign on this contract 73 percent of persons applying for it never before had insurance in the Travelers. Most of them buy higher premium forms. It is reported 58 percent of sales on the form are secured on first interview and three-quarters of the applicants ask for retirement income contracts.

Bloxham Addresses Agents

More than 300 agents and brokers of the Chicago branch of the Travelers'

life department, managed by E. B. Dudley, attended a meeting Tuesday at which D. J. Bloxham, supervisor of agency field service in the home office, explained the \$100-a-month for a year plan which the company is pushing on a national basis.

New Rules in North Dakota

Commissioner Olsness of North Dakota has promulgated policy loan and surrender rules identical with the model adopted by the commissioners at Chicago. This is a liberalization of the previous North Dakota rules.

SOME OF THE MANY LETTERS WE HAVE RECEIVED ON OUR NEW AND EFFECTIVE PLANNED ESTATE IDEA -

This application for \$5,000 was obtained as a direct result of a Planned Estate agreement and I feel sure that we can deliver the \$5,000 policy.

Yours very truly,

John F. Fisher

cc/m
encl.

I want to express my appreciation of the Planned Estate agreement. However, several that would not be a specific result.

I am finding it a splendid approach, whether in cold-calling or in follow-up of cases which had grown stale under the usual methods of solicitation. I am just closing a \$10,000 case that had apparently gone dead under old methods. But I only began it a month ago, so this is no mere the "too-good-to-be-true" idea.

Yours for this new deal,

Agg. Jones

My experience with the Planned Estate idea as an aid in our "Client-Building" program has been valuable. I am convinced that it is the best approach to use when calling upon a prospect who I believe carries a good-sized line of life insurance. In such cases I find it holds their attention on the first call. The outcome of the call depends, of course, on the situation as it develops in each individual case.

I keep a copy of the Planned Estate after my prospect has become a client. In my re-call for future additional business I will have something definite to talk about, which is, completing his own plan. He has become a real client because he is working out together the completion of the estate which we have planned together, and I do not believe anyone will be able to come between us to secure his business.

I believe the idea can be developed and used in the approach or closing and in keeping my clients, and to me individually it is an important part in my "Client-Building" program.

Yours very truly,

Montague P. Ford

I want to express my appreciation for this Planned Estate idea. For I think it is the very finest line of approach I ever saw. I am using it in all of my presentations and, doubly aided by my success in the \$50,000 case just closed by this Planned Estate presentation.

I am agree with the thought that you do not know the value of "Planned Estate" until you have worked out your own estate and the answer this is done the more you will know the true worth of this plan. Since I have done this, I am much more effective with its presentation and can make the presentation in a much easier and convincing manner.

Yours very truly,

Chas. E. Fitch

Our local men are all using the Planned Estate method of selling. The consensus of opinion is that it gives a splendid introduction and arouses the curiosity of the prospect, the prospect even stating that they have never had a program presented so easily.

Very sincerely yours

Wm. H. Brown

The thing of greatest importance of the "Planned Estate set-up" is that at no time in the past has the prospective buyer of insurance received such a clear picture of what he is actually buying. I have personally sold three family income policies totaling \$45,000.00 by using this set-up. I think it's a knockout.

Sincerely yours

Wm. H. Brown

cc/m


HOME LIFE INSURANCE COMPANY

256 BROADWAY, NEW YORK, N.Y.

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Chairman of the Board

On Agency Matters Address
CECIL C. FULTON, JR.
Superintendent of Agencies

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Age 35 - \$143.80 for \$10,000

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY
FT. WAYNE INDIANA

THE NATIONAL UNDERWRITER

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Are We Headed Toward Federal Control?

REGARDLESS of the opinion of insurance people and notwithstanding that many are refusing to note the signs in the heavens, there is a definite trend toward some form of federal regulation of insurance. This is coming by gradual steps and not by a single bound. That makes the movement all the more subtle and unnoticed. With the concentration of vast power in Washington, the tremendous machinery being built there, with all the roads leading to the seat of federal government, eventually insurance, in spite of itself, will be subjected to some form of regulation by the national hand. We should not shut our eyes to the possibility.

In our opinion the insurance business is losing an opportunity in not endeavoring to shape the trend which this regulation may take. We are letting things slide, hoping for the best, resting on the U. S. Supreme court dictum in Paul vs. Virginia and hoping that out of the turmoil state sovereignty will be preserved at least as far as insurance supervision is concerned. The insurance people have the opportunity in watching the currents and lending a hand in steering the boat. Unless this is done we may wake up from a long sleep some day and find the federal government has gradually assumed much control over insurance administration.

Farm Credit Loans

WHILE a press dispatch from Washington states that the farm credit administration is issuing farm mortgage loans at the rate of \$1,000,000 a day life companies report that they have not yet commenced to notice these loans in substitution for their own, appreciably. The statement is made that there are already on file with the 12 federal land banks requests for \$800,000,000 in farm loans and that new ones are pouring in daily. Land bank staffs have been doubled in some instances to keep up with the demand for government loans at 4½ percent interest. The staff of appraisers is increasing steadily and more than 2,100 of them are now on the job throughout the country.

The difficulty of the farm credit administration is that most of the loans sought are more or less distress cases and therefore require unusual investigation and appraisal. The government will loan 75 percent of the appraised value at 4½ percent and the ap-

praisal is supposed to be on the basis of values of 1909-14 but reports are that government appraisers appear to be using present day values rather than those of 1909-14. However, present values are increasing steadily and will probably reach the earlier standard.

One farm loan company estimates that perhaps 10 or 12 percent of its farm mortgages are likely to be replaced by government loans, or at least that applications for government loans will be filed in that percentage of the cases.

The life companies not only expect to clear up many of their loans which are not in first class condition through the acceptance by the owner of the government's loan at lower interest but also notice a decided strengthening in the demand for farms as well as in farm values. Within the next few months a considerable amount of money will flow into the companies holding farm mortgages through the application of the farm loan plan.

Effect of Cheerful Spirit

DR. W. A. GRANVILLE of the WASHINGTON NATIONAL of Chicago makes this observation:

"If people would whistle more and whine less; hustle more and holler less; work more and worry less; boost more

and beef less; give more and grab less, business would be better darn fast."

There is a vast amount of good sense, sound judgment concentrated in this homely bit of philosophy. It is worthy of pasting in one's hat.

PERSONAL SIDE OF BUSINESS

Walt Tower, managing director of the Chicago Association of Life Underwriters is "resting up" from the arduous of his labors on local arrangements for the National association meeting in Chicago by going on a strenuous hunting trip in Canadian wilds. He, with several neighbors of his home sector, started out by car, transferred to an airplane some place in Canada, and completed the journey by canoe.

Herman L. Ekern, former Wisconsin insurance commissioner and counsel for insurance companies, has returned from several weeks abroad with Mrs. Ekern and their daughter, Dorothy. They visited Mr. Ekern's birthplace at Biri, Norway, and the home district of Mrs. Ekern's parents at Sonngord, Norway. While in Norway, Mr. Ekern was presented to King Haakon.

A. G. Derr, New Jersey general agent of the Aetna Life with headquarters in Newark, is laid up in a Philadelphia hospital suffering from a serious case of blood poisoning. Several weeks ago he fell through the steps at the rear of his home, scraping his right leg severely. He applied home remedies and thought nothing more about it. Later, while in Philadelphia, he collapsed on the street and was rushed to the hospital, where he was operated on immediately. He will be confined to the hospital for several weeks.

George N. Ayres, president Central Life of Des Moines, accompanied by Mrs. Ayres, has been spending the two weeks in Los Angeles on an automobile trip to southern California. He visited the company's agency in charge of A. B. Olson, general agent.

President Walter LeMar Talbot of the Fidelity Mutual is on a trip to the Pacific Coast visiting agencies in Spokane, Seattle, Portland, San Francisco and Los Angeles, returning to Philadelphia on Nov. 20. He is also visiting Detroit.

Frederick Faulkner, superintendent of field service for the California-Western States Life is educational and publicity director of the Sacramento community chest drive. He is sponsoring a series of 16 radio programs over a local station and has also organized a speakers bureau.

R. P. Banks, Denver general agent of the Penn Mutual, is in a hospital in serious condition following an automobile accident in which his car went off a shelf road, overturning twice as it rolled down the mountain side and landed against a huge boulder. Mr. Banks' collar bone was fractured and his shoulder pulverized, and he is being kept under an oxygen tent to avert pneumonia. Mrs. Banks suffered head injuries and lacerations.

The Cincinnati Life Underwriters Association gave a testimonial luncheon this week in honor of the newly elected president, C. Vivian Anderson of that city. Jack Lauer, president of the organization, presided.

All the officers and trustees of the National Association of Life Underwriters and the Ohio state association were invited. Many notables were asked to be present. The home office officials of Cincinnati were included in the list. John L. Shuff of the Union Central, former National association president, was one of the guests.

Myrtie Hatcher, woman agent in Kentucky for the Kansas City Life who only recently signed her contract, wrote 34 \$1,000 applications recently in one day. The applications, on the ordinary life plan, were written on a group of

young men who were just going out on a C. C. C. reforestation project.

G. C. Holmberg, treasurer Northwestern National Life, plans to visit St. Louis this month to study the possibilities of making loans on St. Louis real estate.

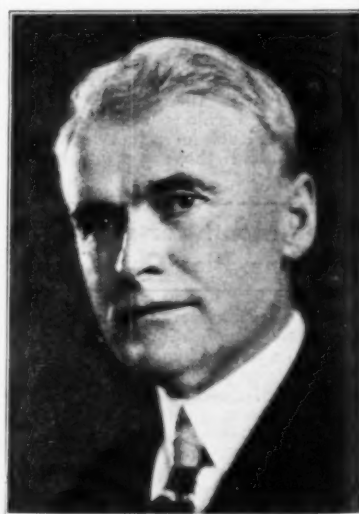
Phineas Prouty, Jr., leading producer in the J. W. Yates general agency of the Massachusetts Mutual in Los Angeles and chairman membership committee Los Angeles Association of Life Underwriters, announces the advent of Julia Duncan Prouty, the Proutys' third child, weight seven pounds.

President B. F. Bushman of the Federal Reserve Life of Kansas City, Kan., was stricken with an acute attack of appendicitis Thursday of last week and taken to St. Luke's hospital in Kansas City, Mo. He is now resting comfortably.

M. A. Linton, president of the Provident Mutual Life, is a commuter between Philadelphia and Chicago. He started by attending the annual meeting of the National Association of Life Underwriters in Chicago and addressing the managers and general agents section of that meeting. He was back in Chicago last week for the annual meeting of the American Life Convention, at which he also delivered an address. This week he is again in Chicago for the joint meeting of the American Institute of Actuaries and the Actuarial Society of America and is participating in the discussion. Next week he will return to Chicago for the joint meeting of the Association of Life Agency Officers and the Life Insurance Sales Research Bureau, he being chairman of the executive committee of the bureau.

The General American Life of St. Louis, which recently took over all business of the Missouri State Life, has been licensed to write life, health and accident insurance in Arkansas. Carroll Thomas of Little Rock continues as general agent for Arkansas.

At the Convention



FRANK P. MANLY

Frank P. Manly, president of the Indianapolis Life, attended the Century of Progress convention of his company in Chicago this week. Last week Mr. Manly attended the annual meeting of the American Life Convention, he being a member of the executive committee, being reelected at the meeting for another two-year term. Mr. Manly was formerly an agent in Chicago, carrying a rate book for the Equitable Life of New York.

NEWS OF THE COMPANIES

Receivership Being Sought

Illinois Insurance Department Finds the State Life of Illinois Is in Bad Shape

Receivership proceedings have been brought in the superior court at Chicago by Attorney-General Kerner for the State Life of Illinois at the request of the insurance department. The State Life has its head office at 167 East Ontario street, Chicago. Following an examination Superintendent Palmer cut down its assets. The valuations were disputed by officers. On Dec. 31 last it reported assets \$485,259, capital \$137,500, net surplus \$27,794. Of its assets \$158,615 or 33 percent are in real estate, \$192,162 or 40 percent in mortgage loans, \$45,889 or 10 percent in policy loans, \$12,290 bonds and \$20,000 preferred stock.

The company began business as the Builders Mutual Life, April 1, 1925. Its name was changed in 1927. E. S. Parrish is the largest individual stockholder and became president in February, 1931. He was formerly connected with Sears, Roebuck & Co. J. O. Karstrom, its secretary, was formerly secretary and treasurer of the American Bankers. A. C. Stockton, the treasurer, is president of the American Wurtzilite Company. It reported at the close of the year \$7,536,485 insurance in force. The insurance department is said to have placed a value of \$200,000 on its home office building at St. Clair and Ontario streets, while the company claims that it is worth considerably more.

The **Northland Life**, organized at Duluth in 1926, has amended its charter to make St. Paul its principal place of business. It has about \$250,000 in force.

Form Field Research Division

G. D. Davis, Brother of Penn Mutual Vice-president, Appointed Manager by Company

A field research division whose purpose is to develop a new and comprehensive sales help service in the underwriting department has been established by Vice-president Westfall of the Penn Mutual. All applications will be scanned for the discovery of methods of coverage in unusual cases, and those which it is believed would be helpful by recital to general agents and special agents will be dispatched to the field. The studies of underwriting experiences, it is believed, will be instructive to men in the field and will enhance expertness of Penn Mutual representatives.

G. D. Davis, well seasoned in sales promotion and in the agent's daily routine, through his management of the Denver agency, in association with his brother, now Vice-president F. H. Davis, and later as a unit manager in the J. A. Stevenson agency in Philadelphia, has been appointed manager.

Substantial Surplus Addition Is Made by New York Life

Total income of the New York Life in the first nine months of 1933 exceeded total disbursements by \$43,133,000. This amount has been added to ledger assets, President T. A. Buckner states. Total income aggregated \$277,990,000, and disbursements \$234,857,000, including \$188,870,000 paid to policyholders and beneficiaries, and \$45,987,000 covering payment of trust funds.

OCTOBER DAYS

• In October we are conducting our Annual Reinstatement "check-up."

This is a service rendered to all Jefferson Standard Representatives.

JULIAN PRICE, President

A. R. PERKINS, Agency Manager

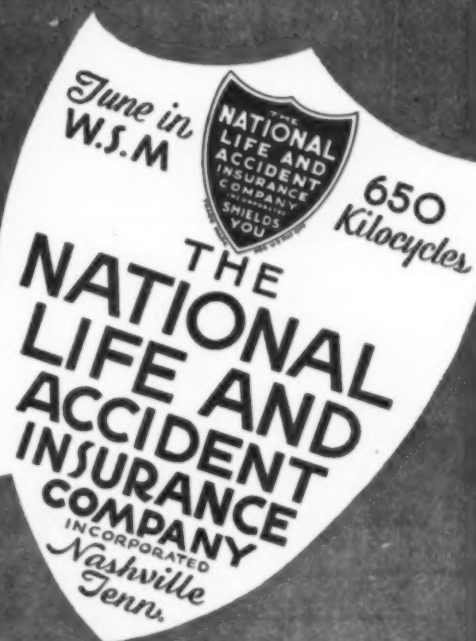
**JEFFERSON STANDARD LIFE
INSURANCE COMPANY**

GREENSBORO, NORTH CAROLINA

To Help Break Sales Resistance

- WSM The "Shield" Company's own 50,000 watt, radio station that broadcasts eight popular programs a week designed to help our "Shield Men."
- V.S.B. Our Visual Sales Book recently published and built "from the ground up" in our own organization is exclusively adapted to present to prospects the Shield Plans of Insurance.
- O.S.P. A practical Organized Sales Presentation to be used by "Shield" Men as an intelligent guide and useful reference.
- V.P.C. Our Varied Policy Contracts on life, accident and health rank Shield Men among the best equipped insurance men.

"It Pays to be a Shield Man in a Company that Shields Millions"



dividends, deposits, reinsurance, taxes and other expenses.

During the nine months total income averaged \$1,235,000 a business day and included \$196,773,000 premium income and \$63,898,000 interest and rent received. New investments made during the first nine months exceeded \$46,300,000.

Kansas Receivers File Suit for Royal Union Reserves

TOPEKA, KAN., Oct. 19.—A suit has been filed in the United States district court for Kansas by Sam Hodgins and John Smith, ancillary receivers for the Royal Union Life to compel Commissioner C. F. Hobbs to turn over to them the

\$600,000 reserve on Kansas policies. Messrs. Hodgins and Smith were named ancillary receivers for Kansas by Judge John C. Pollock.

The original deposit of securities was made by the Great State Life of Kansas which was reinsured in 1924 by the Royal Union Life. The statute which requires the deposit provides that the securities must remain on deposit so long as the policies are in force. The commissioner states that these securities are deposited with the state as pledges behind the policies. He contends he would be derelict in his duty if he permitted these securities, deposited to secure the policyholders of the old Great State Life, to be administered by the general ancillary receivers of the Royal Union Life and that neither that

company nor its receivers are entitled to the possession of the securities.

The bill of complaint contains charges that Mr. Hobbs permitted the Royal Union Life to withdraw \$169,000 of valuable securities and substitute therefor others of doubtful value. Mr. Hobbs states that the records of his office show that no securities whatever have been deposited by the Royal Union Life or by anyone on its behalf, since June, 1931. Mr. Hobbs states that it is true that some mortgages have been withdrawn, but that in nearly every case they were due and presumably paid.

It is charged in the complaint that Mr. Hobbs has not aided the plaintiff ancillary receivers in checking up the standing of the deposits and the liability to make deposits, but Mr. Hobbs says that they have had access to the original securities, and also to all of the records in his office, except the report of the examiners who made an examination, together with examiners of three or four other states, which report was received from the superintendent of insurance of Iowa stamped "Not a public record," and which under the statutes of Kansas cannot be made public at this time.

The primary receivers, L. H. Andrew and E. W. Clark, have expressed their wish that these securities be not turned over to the ancillary receivers who are plaintiffs in this action.

Guarantee Reserve Life Is Organized in Indianapolis

INDIANAPOLIS, Oct. 19.—Organization of the Guarantee Reserve Life of Indianapolis has been completed. Offices have been established in the Meridian Life building. All forms of life insurance will be written on a legal reserve basis.

Officials are: D. G. Campbell, president; H. E. Munn, vice-president; David Harris, secretary; Dr. B. R. Quinn, treasurer. C. C. Wysong, former Indiana insurance commissioner, is general counsel and H. C. Marvin is actuary.

Judgment on Asset Sale

J. T. Wilcox and H. F. Haggard were given judgment for \$30,000 by Judge C. Jasper Bell in the Independence, Kan., division of the circuit court against the Bank Savings Life of Kansas. The in-

surance company was not represented and the judgment was by default. Messrs. Wilcox and Haggard set forth that they had an oral contract with E. H. Lupton, president of the company, to the effect that they were to receive \$30,000 if they made sale of the assets of the company. They asserted they sold the assets in June to J. N. Mitchell, Columbia, Mo., and that the contract was not fulfilled.

New Texas Companies

DALLAS, TEX., Oct. 19.—The Texas State Life is being organized here, on a legal reserve basis with a capital stock of \$100,000 and a surplus of \$25,000. It plans to begin writing business around Nov. 1.

At first the company will specialize in a convertible term contract at a low premium rate. It will write non-medical contracts up to \$5,000. Home offices will be in the Gulf States building. Officers are S. J. Haughton, Jr., president; A. A. Allen, secretary; William Madden Hill, vice-president and general attorney, and W. C. McCord, actuary.

The company also has a permit to organize the Texas State Mutual and is receiving applications for insurance in this concern. It is understood the mutual will be officered by the same men.

Tax on Home Life Business

Commissioner U. A. Gentry and Attorney-General H. L. Norwood of Arkansas have notified the Central States Life that payment of the 2½ percent gross premium tax on business of the former Home Life of Arkansas will be expected, the tax amounting to \$30,000 during the past two years. The Central States Life contends that since the Home Life as a domestic corporation was exempt from the tax, premiums collected on its policies should be also exempt.

Mr. Norwood ruled that the tax is payable by foreign companies receiving premiums from domestic companies under reinsurance agreements, or on policies issued by a domestic company which has been reinsured in its entirety. The Central States Life took over the business of the Home Life after its failure early in 1931.

According to James Forbes, claims superintendent of the Great-West Life, death claims for the eight months ending Aug. 31 show a decrease of 9 percent as compared with the same period last year.

LIFE AGENCY CHANGES

Lipe Goes to San Francisco

Former General Agent Peoria Life Takes Important Post for the Oregon Mutual Life

W. D. Lipe has been appointed manager of the San Francisco agency of the Oregon Mutual Life. He began his life insurance career in Illinois 23 years ago as an agent. After working in this capacity for a number of years he undertook some special organization work, the success of which so much attracted the attention of the home of his company that later he was appointed superintendent of agencies.

The desire to build an agency of his own caused him to resign his position as a home office official to become general agent in Chicago for the Peoria Life. He has spent considerable time recently in the home office of the Oregon Mutual in Portland, familiarizing himself with its methods and training program for new agents.

L. E. Throgmorton, for the past six years at Little Rock, Ark., with the Gordon H. Campbell general agency of the Aetna Life, has been appointed its associate general agent at Shreveport, La.

Roach Moves to Cleveland

Has Made a Success in Developing an Ohio Agency for the American Central

Paul H. Roach, district superintendent in charge of an Ohio agency for the American Central Life, has moved his headquarters from the home office in Indianapolis to Cleveland. Under his direction, the agency climbed into second place for the entire field on the basis of paid business for the year to date. He joined the American Central as a clerk in the home office agency department October, 1921. Then he contracted as a part-time producer during the summer of 1929, and in



P. H. ROACH

WHAT IS THE MATTER WITH MR. PENNYFEATHER?



Always a
Super-
Salesman

—Yet He Has
Policy-itus!

MR. PENNYFEATHER is a live wire agent. He takes a cold bath at six every morning and makes his first call before eight. Just look at his back muscles. He does more prospecting than a gold miner in the Klondike. Yet *policy-itus* (poor selection of policy contracts) is cutting down his sales efficiency.

If Pennyfeather had a selection of varied and unique policy contracts as well as the good old standbys he would turn more prospects into contented clients. His regrettable situation is unnecessary for there is a Central States policy for every need. Policies for men, women and children from one day to 65 years, par and non-par, standard and sub-standard.

Mr. Pennyfeather will find out all about this when he reads his copy of "Field Features." We'll wager it will cure him of *policy-itus* in short order. Maybe you would like to have a copy too.

CENTRAL STATES LIFE INSURANCE COMPANY

SAINT LOUIS

GEORGE GRAHAM, Pres.

BUFFALO MUTUAL LIFE INSURANCE COMPANY

OPPORTUNITIES... BUFFALO, N.Y.

in the states of New York and Ohio. Now growing faster than at any time during our 61 years. If you would like to grow with us, write in confidence with details of your experience to: E. PARKER WAGGONER, Supt. of Agents.

February, 1930, he started to give all his time to production. His promotion led to a district superintendency in May, 1931.

Works Named General Agent

Agency Director of Penn Mutual in New York Succeeds Fischers in St. Louis

Vice-president F. H. Davis, Penn Mutual Life, announces advancement of P. O. Works, agency director in the R. G. Engelsman agency, New York City, to general agent in St. Louis. Mr.



PHILIP O. WORKS

Works has had 13 years of insurance experience, starting in 1920 in the health and accident branch, followed by two years of automobile insurance work in Canada. After real estate experience in Orlando, Fla., followed by another insurance connection Mr. Works went with the Engelsman agency in 1928 as solicitor, and three months later he was made supervisor.

In 1930 he was promoted to agency director, in charge of recruiting, training and general supervision of agents. His personal production has more than qualified him for the annual agency conventions. He was a graduate of the company's first agency-building school. Mr. Works collaborated with Mr. Engelsman in writing "The Engelsman Plan of New Organization." He has been active in the New York City Life Underwriters Association, having been on the membership committee and a district chairman.

Some time ago Ira Fischer, member of the St. Louis general agency firm, withdrew to devote himself to personal production, and Ralph Fischer was placed in charge of the organization. Both brothers, as members of the agency, now are producing agents.

Secures Number of New Men

American National of Galveston Announces the Appointment of Several General Agents

Vice-President E. L. Roberts of the American National of Galveston, announces a number of appointments as managers and general agents for the ordinary department:

Will T. Brown, who has been for a number of years manager of the Marion W. Rich agency for the Missouri State Life at Columbia, S. C., has been appointed state manager for the American National with headquarters at Columbia, S. C. Mr. Brown is bringing to the American National a number of desirable agents.

W. H. Braselton of Paris, Texas, will represent the American National as general agent in that territory. Mr. Brasel-

ton has for a number of years been one of the leading producers for the Missouri State Life.

John Quincy Adams has been appointed general agent for Colorado with headquarters at Pueblo. He has been for a number of years representing the Missouri State Life in Pueblo and has been one of its dependable producers.

R. M. Shaw, who has been for a number of years general agent for the Missouri State Life at Waco, Texas, will represent the American National as general agent there.

J. Tom Dannel, formerly general agent for the Missouri State Life at Albuquerque, N. M., will represent the American National as general agent for New Mexico with headquarters at Albuquerque.

Oscar Wingeld of Birmingham, Ala., has been appointed manager for the American National in that territory. He has been for a number of years a member of the Quarter Million Dollar Club of the Missouri State Life. Mr. Winfield will have associated with him several of the former Missouri State's producers in that territory.

Tom P. Stephens, formerly assistant manager of the Dallas office of the Missouri State Life has been appointed manager for the American National in Dallas. Mr. Stephens has been successful in agency work in Dallas.

S. U. Hardie of Florence, Ala., has been appointed general agent for the American National at that point. Mr. Hardie spent several years doing personal production for the Aetna Life in the Muscle Shoals district of Alabama. Later he opened Oklahoma for an Alabama company.

E. M. Leckie is representing the American National as general agent for Oregon with headquarters at Portland. He was formerly general agent at Portland for the Continental Casualty and the Continental Assurance.

Caperton to State Mutual

Well Known Detroit Man Takes Charge of the Wrenn Agency in Chicago

Joe S. Caperton of Detroit, manager of the Phoenix Mutual Life in that city, has been appointed general agent of the State Mutual Life in Chicago to take charge of the old Everts Wrenn agency. Vice-President Stephen Ireland from the head office is this week meeting Mr. Caperton in Chicago. The appointment is a very happy one as Mr. Caperton has been anxious to become located in Chicago. He was formerly superintendent of agents of the Indianapolis Life at its head office and won distinction by his organizing ability. He went to Detroit for the Phoenix Mutual and as a general agent he has acquired distinction. He will take charge of the Chicago agency about the middle of November. Before going with the Indianapolis Life he was salesman for a drug company. He started with a rate book, became assistant agency superintendent and then superintendent.

Floyd Wilson, who has been acting manager of the agency since the death of Everts Wrenn, will remain with the State Mutual either in Chicago or will take a general agency in some other city. He has been with the agency for two years and during that time has developed rapidly in the business. The State Mutual holds him in very high regard.

Pan American Life

Ted M. Simmons, manager United States agencies of the Pan-American Life, announces appointment of seven district managers: E. J. Hicks, Seminole, Oklahoma; R. G. Kent, Evansville, Ind.; C. S. Ramsey, Mishawaka, Ind.; R. C. Ward, Mobile, Ala., and Hughey Johnston, Windsor, Mo. Mr. Ward was agent in the J. O. Ogle agency of Birmingham, and Mr. Johnston was agent in the E. E. Van Natta

THE FIRST COMPANY IN THE FIRST CITY IN THE FIRST STATE



An Extra Reward

We welcome the business of responsible brokers and the surplus lines from representatives of other companies. For such business we pay the customary first year and renewal commissions with no differential in the rate for business issued on the Preferred Class plan upon which we specialize so exclusively. Contract representatives of the Company receive not only the usual first year and renewal commissions but also a service salary as an *Extra Reward* for continuous and efficient service—virtually a retirement income.

METROPOLITAN BRANCHES

New York City:
120 Broadway
Newark, N. J.:
420 Lexington Ave.
17 Academy Street

Continental American Life Insurance Company Wilmington, Delaware

"Cake and Penny Too"

The new Family Income Rider applied to the Income for Life Plan (at age 65), which Fidelity originated, meets the demand for the economic "cake and penny too." The Rider may also be applied to the Endowment at 85 plan.

Offers New Opportunity

Here is opportunity to sell the man who likes the Family Income plan, but thinks of his own needs first, or who must be content with a small contract, or who is not a preferred risk, or who demands greater disability benefits, or who wishes to reduce the period of extra premium payments.

Write for information

The FIDELITY MUTUAL LIFE INSURANCE COMPANY
PHILADELPHIA
WALTER LEMAR TALBOT, President



180 MILLIONS *paid to* BENEFICIARIES

Since organization, in 1879, this Company has paid a total of \$180,555,012.46 to the beneficiaries of Bankers Life policies.

Payments to beneficiaries in 1932, alone, aggregated \$10,324,123.57.

BANKERS LIFE COMPANY

Gerard S. Nollen, President

Established 1879

DES MOINES, IOWA

THE HOME LIFE INSURANCE COMPANY OF AMERICA

PROTECTS THE ENTIRE FAMILY

Home Life Agents are equipped to serve every need for protection. Modern policies are issued on both Industrial and Ordinary plans from birth to Age 65 next birthday. The Home Life sales-kit means a whole family of potential policyholders back of every door-bell.

There Is a Home Life Policy for Every Purse and Purpose

OVER ONE HUNDRED MILLIONS IN FORCE
INDEPENDENCE SQUARE PHILADELPHIA, PA.
(INTERESTED IN REPLIES FROM PENNSYLVANIA AND DELAWARE)

A 10-DAY OPTION

for purchasing the exclusive franchise for distributing National Underwriter Insurance Calendars in your city can be secured by sending 9 cents in stamps for a complete sample to The National Underwriter, 175 West Jackson Blvd., Chicago.

agency of Sedalia, Mo. The Seminole, Evansville, Mishawaka and Windsor agencies are new offices. A. L. Abbey and W. C. Sparks, general agents in Corpus Christi, Texas, have been named district agents of the Pan-American associated with General Agent E. W. Wade of San Antonio.

F. E. Moss

F. E. Moss of the home office agency department of the Travelers has been appointed manager at Manchester, N. H.

Mr. Moss has represented the Travelers for more than 13 years, starting as special agent at Des Moines. Later he filled an emergency appointment at Cedar Rapids, Ia., and then was transferred to St. Louis. He was serving as assistant manager there when called to the home office in 1924.

W. A. Fletcher, Jr.

W. A. Fletcher, Jr., has been named general agent at Springfield, Mass., with offices at 32 Harrison avenue, by the National Life of Vermont. Mr. Fletcher succeeds the late R. H. Cutler. Since Mr. Cutler's illness in March Mr. Fletcher has been in charge of the agency. Mr. Fletcher has established an excellent record as a salesman with the National Life and with a lumber company of which he was formerly vice-president. He will have charge of western Massachusetts territory.

C. I. Stacy

C. I. Stacy has been appointed general agent in Arizona for the Union Central Life, with headquarters at Phoenix. He is a director of the Phoenix Life Underwriters' Association and has had considerable experience, both in personal production and general agency work.

M. H. Ramsay

M. H. Ramsay, Jr., has been made general agent for southern California of the Manhattan Life, with offices in the Transamerica building. Mr. Ramsay has had over 20 years of experience in the business, having been a leading producer in the C. J. Edwards agency in New York City for the Equitable Life of New York. He has resided in southern California for three years at Los Angeles.

H. H. Dawson

The Mid-Continent Life of Oklahoma City has appointed H. H. Dawson general agent for Arkansas with headquarters at 201 Rector building, Little Rock.

C. I. Dale, C. E. McCune

The West Coast Life has appointed C. I. Dale district manager at Los Angeles. He was formerly vice-president

of the Pacific States Life of Hollywood. The West Coast has appointed C. E. McCune as agency organizer at Santa Monica, under C. H. Bradford, Los Angeles manager.

E. W. Mammen

The United Mutual Life has appointed Ernest W. Mammen Pacific Coast superintendent of agencies with headquarters at Los Angeles. He was formerly connected with the American Central Life as an agency organizer.

J. M. Spangler

J. M. Spangler, southwestern agency supervisor for the Kansas City Life, has been named general agent for Louisiana, succeeding G. H. Pruitt, who has resigned to enter personal production. Mr. Spangler was previously assistant manager of the Texas agency.

W. H. Logan, C. A. Danielson

W. H. Logan, for the last 16 years Nebraska manager for the Peoria Life at Lincoln, has been appointed general agent at Omaha for the National Life of Vermont, succeeding C. T. Schneider. Mr. Logan's territory will include that portion of Nebraska north of the Platte river and western Iowa. Mr. Logan is a past president of both the state and Lincoln Life Underwriters association.

C. A. Danielson, for a number of years with the Surety Life, has been named by the Peoria Life to succeed Mr. Logan.

George H. Stroud

George H. Stroud, who for five years has been connected with the Travelers, mostly as supervisor and assistant branch manager, first at Oklahoma City and later at Peoria, Ill., has been appointed general agent of the Bankers Life of Nebraska at Oklahoma City. He graduated from the University of Kansas. J. I. Wylie, who has been general agent of the Bankers, resigned early in September.

Life Agency Notes

W. H. Smotzer, former assistant chief clerk at the Indiana state prison, has been named district manager in Michigan City for the Mutual Life of New York.

John Allen has resigned as southern Arkansas agency organizer of the H. H. Conley general agency of the New York Life to join Vinson-Hill, Inc., investment house at Little Rock, Ark.

R. H. Edmiston has resigned as assistant general agent at Lincoln for the Union Central Life, of which his father is general agent. He has moved to Portland to take over Union Central work in Oregon. He has been succeeded at Lincoln by J. D. Evans of Lincoln.

LIFE COMPANY CONVENTIONS

Indianapolis Life Convention

Agents Gather in Century of Progress Meeting—President Manly Heads Home Office Group

The Indianapolis Life held its Century of Progress convention in Chicago during the week. The get together dinner was held Saturday evening. On Monday and Tuesday mornings there were business sessions, dealing with different phases of the company itself, the securing and training of new men, modern continuous prospecting, fundamentals in selling, personal production by managers, organized sales talks, developing district men and plans for the year.

There were present from the home office President F. P. Manly, Secretary A. L. Portteus, Agency Secretary W. I.

Palmer, Actuary W. H. Huehl, Assistant Agency Manager J. R. Mayfield.

Connecticut Mutual Dallas Meet

Connecticut Mutual general agents and supervisors from Texas, Oklahoma, Missouri and Kansas are attending an agency building round table, Oct. 16-21, at Dallas, Tex. This conference is being conducted by V. B. Coffin, superintendent of agencies, and G. F. B. Smith, assistant superintendent of agencies. Mr. Coffin will also talk to the Dallas Life Underwriters Association.

Midland Mutual Men Meet

Taking advantage of the presence of the new president of the Midland Mutual Life of Columbus, O., who was in Chicago last week to attend the meeting of the American Life Convention, agents in northern Illinois gathered to do tribute to George W. Steinman. J.

A. Hawkins, superintendent of agents, was in charge. The agencies that brought their men to the meeting were L. S. Augspurger of Rockford, Ill., and Youngberg-Carlson & Co. of Chicago, headed by Frank E. Nelson, in charge of its life department.

Lincoln National 1934 Conventions

Territorial divisions for the Lincoln National Life 1934 convention have been announced by Vice-President A. L. Dorn. Agencies in Arkansas, Indiana, Louisiana, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, West Virginia, Tennessee, District of Columbia, and the St. Louis and Hannibal agencies in Missouri will meet at the Grove Park Inn, Asheville, N. C., July 9-11, 1934. Qualifying members from California, Iowa, Kansas, Minnesota, Texas, Utah, Washington, Wisconsin, Oklahoma, Oregon, New Mexico, Arizona, Montana, Nebraska, South Dakota, Illinois, and the Kansas City, Mo. agency will meet at the Broadmoor Hotel, Colorado Springs, Colo., on July 23-25.

State Mutual Round Table

NEW YORK, Oct. 19.—The State Mutual Life will hold a round table meeting of its eastern general agents

Nov. 1-2 here. Home office representatives will include President Chandler Bullock, Vice-President and Superintendent of Agencies Stephen Ireland; Irving Ring, counsel; Ross Gordon, vice-president; James Etson and Donald Mix of the agency department.

Michigan Equitable Men Meet

JACKSON, MICH., Oct. 19.—Some 25 representatives of the Equitable Life of Iowa attended a state convention at Clark lake here. Vice-President S. A. Swisher, Fred Smart, Detroit general agent and Larry Miller, Jackson spoke. A golf tournament and other games were enjoyed.

Atlantic Life 1934 Convention

Next year's Aces convention of the Atlantic Life will be held August 26-28, at the Shoreham Hotel in Washington, and Aug. 29-30 at Virginia Beach, the trip to be made down the Potomac river by boat.

An educational conference was held by the Pearce H. Young Indianapolis agency of the Union Central Life with H. E. McClain, commissioner of insurance in Indiana, as the principal speaker. W. F. Hanselman, superintendent of agencies; A. J. Koeppe, assistant actuary, and J. W. Rivers, assistant superintendent from the home office, were on the program.

AS SEEN FROM NEW YORK

By R. B. MITCHELL

SUICIDE RATE DECLINES

New York state's suicide rate for August was the lowest of any month since September, 1929, according to state department of health statistics just issued. The rate was 14.4 per 100,000 of population.

The number of deaths from all types of accidents, however, reached 86.3, the highest of any month in three years, with one exception. This high figure cannot be blamed on automobiles, however, as the figure of 25.4 from this cause was the lowest, except for last year, of any August since 1928.

The August influenza death rate was nearly 50 percent higher than last August, and has been exceeded only once during August since 1920. The pneumonia death rate was the highest of any August in the last four years.

Generally favorable health conditions prevailed during the month, with a total death rate of 9.7 per 1,000.

* * *

PENNELL AND CRAIG GOLF PARTY

The F. W. Pennell New York City and W. A. Craig Philadelphia general agencies of the State Mutual Life will be the guests of their respective general agents at an all-day outing Oct. 25 at the Bradburn Country Club, Madison, N. J. Several officers of the company will also be guests, as well as a notable list of New York insurance men. A feature will be a special golf match between

George Dunlap, new American amateur golf champion, and Jim Dante, well known pro of the club. Mr. Dunlap is a brother-in-law of T. M. Riehle, ranking vice-president National Association of Life Underwriters, who will also be a guest.

* * *

OPENING NEW YORK BRANCH

A New York office will be opened by the Haviland-Gibbs agency of the Penn Mutual in Newark. The Newark office, which has been under the supervision of J. T. Haviland since Nov. 1, 1930, will be used as a base. The reorganized agency will start actively under the new set-up Nov. 1. One of the features of the agency will be the building up of an agency force for the metropolitan district. Among those who will assist in that work are H. J. Ross, Jr., J. C. Elliott and J. A. Ramsey. Mr. Haviland, an active member of the Life Underwriters Association of Northern New Jersey, has been in life insurance for 17 years, connected variously with the Travelers and Equitable of New York. Since he went with the Penn Mutual Life in New Jersey three years ago, he has built up a large volume of business. J. E. Gibbs, who has been in life insurance ten years, since 1929 with the Penn Mutual and for the past year as regional superintendent of agencies in charge of the eastern department, has had wide experience and is well known in the eastern territory.

AS SEEN FROM CHICAGO

SELL \$508,000 IN ONE DAY DRIVE

The great possibilities of a one-day campaign were demonstrated by the ordinary agency of the Prudential in Chicago managed by A. Van Goldman. Starting at 6:30 a. m., Oct. 11, and working until about 11 p. m., the agents rolled up a total of 134 applications for \$508,350. Most of these were small applications, there being only one so large as \$40,000 and the next largest case being \$10,000. L. W. Smith, agent, secured 10 applications for \$102,000, the greatest volume. R. L. Straus secured greatest number of applications with 13 for \$25,000 total. Max Cohn was second in volume with six apps for \$42,000. Mr. Goldman laid a dramatic background for the

drive the previous Saturday at an agency meeting when he appeared preoccupied and dropped hints of an important decision to be made, affecting all the agents. He continued this propaganda Monday morning and it was not until noon that the agents were notified there was to be a special effort Wednesday. All agreed to start at 6:30 a. m., and to be in the presence of the first prospect not later than 8:30. Mr. Goldman said that practically all the agents lived up to their pledges.

In spite of the announcement of the drive Monday noon, the business for that day was normal. There was little opportunity to hold up business to report in the drive. At 11:30 p. m., a

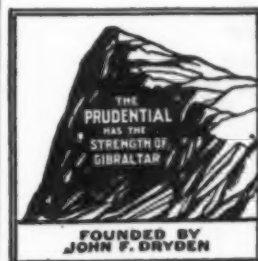
This Is Your Concern

As a Life Insurance Salesman your responsibility goes far beyond the mere selling of protection.

The Prospect has come to regard you as an advisor in whom he can place the utmost confidence.

In all fairness, then, the well-equipped salesman should be prepared to give the right answers when they are sought of him.

Fit the Protection
To The Buyer



The Prudential
Insurance Company of America

EDWARD D. DUFFIELD, President

Home Office - Newark, New Jersey

FOR JITTERY DAYS



Back in November of 1931 in an advertisement of the Chicago Evening American there appeared the following paragraph:

"Blessed are all things which remain constant in these jittery days. They provide something to which we can safely cling, a fixed base upon which we can hope to build structures that will not collapse when the unforeseen happens and others less securely based go down."

Blessed, then, is that which the life underwriter sells. For what more perfectly exemplifies such praise?



Inc. 1871
Bradford H.
Walker
President

The Life Insurance Company
of Virginia
RICHMOND, VIRGINIA

party was held in the office in the Insurance Exchange, a buffet supper being served. Eight prizes were awarded leading agents. The campaign also served to celebrate the first anniversary of the One-A-Week club in the agency, seven qualifying for the 52 weeks' continuous production and being awarded copper beer sets. A picture of the bulletin board showing the production record with names, number of applications and total volume was taken and forwarded to the home office together with a complete record in time for the 58th anniversary celebration, Friday, Oct. 13. These photographs also were given all agents participating. Mr. Goldman said every man and woman in the agency took part. A great deal of business was developed which could not be closed in the day, he said, and the effects of the one-day effort are expected to be felt for some time.

MINIATURE SALES CONGRESS

The October meeting of the general agents and managers' division of the Chicago Association of Life Underwriters to be held Oct. 20 in the Union League club, will be a miniature sales congress. Three well known life men will speak. These are: W. M. Houze, general agent, John Hancock, Chicago, on "Present Day Times and Our Busi-

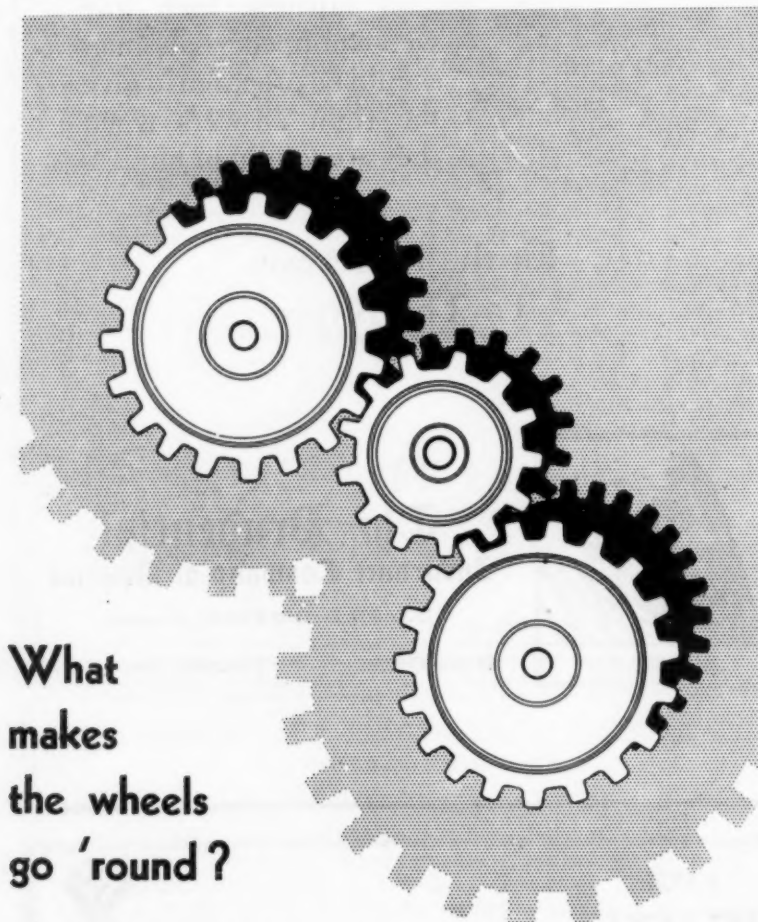
ness;" H. G. Swanson, general agent, New England Mutual, Chicago, on "How I am Capitalizing on Present Day Cook County Prosperity," and D. J. Bloxham, supervisor, agency field service, Travelers, Hartford, on "Outsiders Looking In." E. B. Dudley, life department manager Travelers, Chicago, the new chairman of the division, will assume the chair for the first time, he having just been appointed to the post.

MARTIN SUCCEEDS ANDREWS

James L. Martin has been appointed by the New York Life to service the business of the late Eugene E. Andrews, who was a large producer and agents' counselor at large with the clearing house branch in Chicago. Mr. Martin was formerly resident partner of Pynchon & Co., in Chicago and has had many years experience as an investment banker and broker.

Effect of the NRA Seen

Insurance offices at Columbus, O., have added \$2,400 monthly to their payrolls since the NRA went into effect, according to F. A. Lichtenberg, who is chairman of the Columbus NRA insurance division. Mr. Lichtenberg is president of the Ohio Association of Life Underwriters.



What
makes
the wheels
go 'round?

The motive power of enthusiasm makes sales . . . keeps the wheels turning. Enthusiasm is that unquenchable fire in man which gives him the power to conquer seemingly unsurmountable obstacles. Those of us who spread the gospel of life insurance should be enthusiastic . . . It is one of the few investments that have been dependable . . . It has helped to keep homes intact . . . to buy food . . . to make life more livable. Never was there a time when the public was more life insurance conscious . . . and the salesman with the enthusiasm will reap the rewards.

THE MIDLAND MUTUAL LIFE INSURANCE CO.

Columbus, Ohio

NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

Changes Rules on Rewriting

Minnesota Mutual Reduces Waiting Period After Lapse to Three Months—Full Commission

ST. PAUL, MINN., Oct. 19.—The Minnesota Mutual has notified agents of a temporary modification of the rule relating to rewriting lapsed policies and those running on extended insurance. President T. A. Phillips calls attention to the fact that the change does not apply to policies in force.

Heretofore the rule has been that no commission was allowed on policies lapsed for less than one year. This period has been reduced to three months, after which full commission will be allowed. The company also now permits the surrendering and rewriting of policies running on extended insurance.

The position taken is that the former limitation often caused public ill-will.

"Radically changing conditions lead, of course, to changes in practices," President Phillips stated in a letter to agents. "They should not, however, tempt us to make changes in principles which we are satisfied are fundamentally right. This company believes that the

Retire Endowment Annuity

Equitable Life of New York Finds Optional Retirement Policy Is in Favor

The Equitable Life of New York finds that since its optional retirement policy was introduced last April, over 3,400 policies have been written for \$13,800,000 insurance. The average amount per policy is well above the average of other types. The Equitable states that it undoubtedly appeals to young married men and men in middle life who wish to combine old age income provision for self or self and wife with insurance protection for the entire family. One of the attractive features is the provision for a joint annuity beginning at age 65 with two-thirds to the survivor.

The Equitable announces that since introduction of the optional retirement policy the number of applications for the endowment annuities at 65 has been decreasing so noticeably that the latter will be withdrawn as of Nov. 1.

practice of rewriting in-force policies is wrong in principle, being unjust to policyholder and company."

NEWS OF LIFE ASSOCIATIONS

Missouri Associations Meet

Seven City Organizations Gather in Jefferson City—Department Officials Speak

Representatives of the seven city associations comprising the Missouri Life Underwriters Association met Oct. 14 at Jefferson City. The seven cities are St. Louis, Kansas City, Springfield, Joplin, St. Joseph, Columbia and Jefferson City. President C. O. Fischer of St. Louis, general agent Massachusetts Mutual, presided.

V. W. Wiedenmann, Sun Life, Kansas City, reported on the possibilities of securing Dr. Huebner to make a series of talks to the various city associations in the state group. Committee chairmen reported, Frank Trotter, Kansas City manager Mutual of New York, on membership; George Hackman, Jefferson City, on legislation, and James Callahan, past president St. Louis association, on the essay contest the state association is sponsoring.

Superintendent O'Malley of Missouri; George Robertson, deputy superintendent, and Francis Murphy, chief clerk, were present and spoke briefly.

H. A. Hedges, Kansas City general agent Equitable of Iowa, spoke on "Piddlers, Peddlers and Salesmen." Lunch and golf followed.

Kearney, Neb.—The Kearney association heard an inspirational address at the October meeting by James Sebastian, North Platte, president of the Nebraska association. The subject was "Practice What You Preach—Make 20 Calls Per Week Using the Scientific System." He talked on prospecting by the endless chain method. A motion was made by N. D. Merritt and seconded by John Boasen that the association increase per capita tax toward the state association 25 cents. The tax is 50 cents. It is anticipated that 25 cents more per member will be sufficient. N. D. Merritt read a report as delegate to the National convention in Chicago. Claude Sibbets spoke on selling insurance by the "Corn Method."

Pennsylvania Meeting Is On

Annual Gathering of the State Life Underwriters Association Being Held in Pittsburgh

The annual meeting of the Pennsylvania Association of Life Underwriters will be held in Pittsburgh Friday of this week. At noon the members will join the Pittsburgh association at its monthly meeting. A. R. Allen, Union Central Life of Philadelphia, is president; H. L. Smith of Harrisburg, secretary; H. S. Sage, Wilkes-Barre, eastern vice-president; S. L. Rice, Harrisburg, central vice-president, and L. D. Hemingway of Pittsburgh, western vice-president.

At the Pittsburgh association meeting Friday of this week Harry Phillips, Jr., of the R. G. Engleman agency of the Penn Mutual Life of New York City will repeat his talk he gave at the National convention in Chicago on "Selling Security."

Birmingham, Ala.—Reports of the Chicago convention were given by President T. J. Huey and Fred Chisolm, national committeeman. On display was the Charles Jerome Edwards cup, won by the Birmingham association for increase in membership, the largest of any member association in 1932-33.

Walter Cluff, educational director Kansas City Life, spoke on "The New Deal in Life Insurance."

R. B. Hull, managing director National association, will speak Nov. 17.

Columbus, O.—L. B. Scheuer, general agent, State Mutual, Cincinnati, addressed the Columbus Life Managers Association and the Columbus Life Underwriters Monday. E. C. Deckard, general agent Aetna Life, presided. Following the luncheon four group meetings were held, each of which was addressed by C. C. Doyle, president of the life underwriters; P. M. Smith, vice-president; J. Boyd Davis, treasurer, and Joseph W. Ray, president of the life managers. Subjects discussed were prospecting, adjustment of the agent to new conditions, advice to policyholders with heavily loaded policies, and life

insurance estate survey. Presiding at the sessions and helping in the general discussions were Mr. Deckard, Stanley Jones, George Patton and R. C. Gauch. About 200 attended the sessions.

Mr. Scheuer declared that the writing of life insurance in the new economic era will demand greater stress on the perspective phase of the business.

"Men must be taught to see themselves in the sunset of life when their earning power has diminished, for by means of life insurance they can provide for an income for themselves in their old age and at the same time provide an equal advantage for their children. Income for self and family is now the thing to be stressed."

Oklahoma City—Importance of talking fundamentals and simple language in presenting life insurance to prospects, was the key note of a talk by Oliver Thurman, vice-president Mutual Benefit Life, at the October meeting.

Southwestern Texas—At the October luncheon meeting in San Antonio George Newtomy of New Braunfels reported on the National association convention.

J. P. Collins, superintendent of agencies California-Western States, as principal speaker, said the great need of life insurance agents is a return to the study of the fundamentals. The thing to do is write applications and volume will take care of itself.

Philadelphia—A drive is under way in the Philadelphia association to reach the mark of 500 members. President W. W. Hergesheimer is taking active part. Vice-president Orr is in direct charge. Another important phase of work has been placed in the hands of A. D. Wallis as chairman of the law and comity committee. Past President L. F. Paret, chairman of the meetings and program committee, attended the National association meeting partly to line up speakers. A supervisors' and unit managers' group has been organized under leadership of L. F. Hildreth. Meetings will be held on the first Thursday each month. Dr. J. A. Stevenson, chairman managers' group, is outlining plans for this phase of activity. The public relations committee, under Chairman J. R. Montgomery, has been active in the preparing of broadcasts over a local station under auspices of the association and through courtesy of the Chamber of Commerce. Plans are being formulated for the 1934 sales congress in March under direction of Walter Craig. Association meetings during the coming year will be held on the third Thursday each month, the first meeting to be held Oct. 19.

At the opening fall meeting D. Gordon Hunter, agency vice-president of the Phoenix Mutual Life, spoke on "Jumping Hurdles." Mr. Hunter has been associated with the Phoenix Mutual since 1914 and has served successively as agent, supervisor, educational director, manager of home office agency and agency manager.

Birmingham, Ala.—Walter Cluff, educational director Kansas City Life, discussed time control, planned work and what he termed the "new deal" in insurance.

Fred Chisolm, committeeman of the National Association of Life Underwriters, presented the association with the Edwards membership trophy, which it won for having the greatest increase of membership of any group in the national organization.

Chicago—The new president of the National association, C. Vivian Anderson of Cincinnati, will be the chief speaker at the Nov. 24 meeting of the Chicago association. H. J. Cummings, head of the agency department of the Minnesota Mutual Life, will speak before the organization Friday of next week.

Toronto, Can.—At the meeting of the Toronto association this week the program consisted of home talent. A. E. Rundle of the North American Life of Canada, who is a former president of the Toronto association; Howard Henderson, manager of the Bloor-Bay branch of the North American Life; R. I. Clancey, Aetna Life; J. E. Newdick, Sun Life of Canada; A. L. Spracklin, London Life; P. A. Bowen, Metropolitan Life.

Utah—At a meeting in Salt Lake it was decided to change the by-laws so as to admit to membership only such persons as have been invited to join. There will be no more membership drives. The University of Utah will

give a C. L. U. course in life insurance in charge of Irvin Hull, Salt Lake City.

Lincoln, Neb.—Former Congressman Simmons will speak this week on "Inflation and Life Insurance." Reports of delegates who attended the national convention will be given. Attention will be given a proposal to allow agents writing insurance for companies selling savings installment contracts to become members.

Nebraska—Membership of the Nebraska association was announced as of Oct. 1 as 404, an increase of 76 for the year. The Lincoln association made the largest gain, from 48 to 105. The executive committee has voted to continue goodwill tours by general agents the coming year, when convenient. All past presidents have been made members of the executive committee so that the association may have the benefit of their experience. The annual convention will be held in York at a date yet to be fixed. Scottsbluff and Alliance are being canvassed in the interest of organizing local associations.

New York City—Speakers at the next dinner meeting of the New York City association Nov. 14, will be Harvey Weeks of New York, assistant vice-president Central Hanover Bank & Trust Co., and L. C. Roth, Mutual Benefit at Buffalo, producer of better than \$1,000,000 a year, leading member of the Clay Hamlin staff.

St. Louis—Roger B. Hull, managing director National association, discussed "Industrial Recovery & Life Insurance" at the first fall meeting.

Saginaw, Mich.—A warning against "knocking the other fellow's company" was issued at the October meeting by H. M. Comins, Flint agent for the Massachusetts Mutual Life and president of the Michigan association. Mr. Comins and H. B. Fischer reported on the National association convention in Chicago.

Cleveland—Substantial producers attending the Cleveland sales congress, Oct. 25, will be designated to the "Little Million Dollar Round Table" in the group discussions which take place during the afternoon.

Richmond, Va.—Walter Cluff, educational director Kansas City Life, was the guest speaker on "Problems and Adjustments."

Discussion Series in Philadelphia

The managers' association of the Philadelphia Life Underwriters association has inaugurated a series of discussions of agency management problems, with J. A. Stevenson, manager of the agency of the Penn Mutual Life bearing his name, as chairman. The series opened with a luncheon meeting with R. G. Engelsman, Penn Mutual general agent in New York, as speaker. Mr. Engelsman detailed what had been done in his agency to save waste occasioned by expensive space that is not needed, and in other directions, the objective being to conduct the agency with all necessary equipment for its work, yet economically. He displayed charts of his new office. He illustrated by charts other avenues of fixed expense controlled by careful analysis and budgeting. Succeeding meetings will add to the information on successful management available from the experience of other successful managers.

General Agents Confer

Connecticut Mutual General Agents Lyman Smith, Wichita; R. H. Carter, Oklahoma City; Herley Daily, Kansas City; E. F. White, Dallas; G. A. Holland, San Antonio, and E. D. Shepperd, Houston, met at Dallas, Tex., for a round table discussion of agency problems. From the home office were Vincent B. Coffin, superintendent of agents, and G. F. B. Smith, assistant superintendent.

Watch Illinois Tax Bill

Insurance companies together with other business interests are following closely the progress of the bill before the Illinois legislature imposing a corporation income tax of 3 percent on all concerns operating in the state.

Confidence

The rock upon which the salesman must build his edifice of success with his clientele is confidence. Without it the most masterly presentation, the most compelling arguments, the most inexorable persistence will fail.

When the prospect has become convinced that the underwriter to whom he speaks has absolute honesty of purpose, an authoritative knowledge of his subject, and is guided by a determination to serve—rather than a mere selfish urge to make money for himself—then only does he become more than just today's policyholder: He becomes a life-long client.

And this is surely as it should be, for into the hands of the fieldman are placed all the hopes and fears for that which man holds highest in life—the future welfare of his loved ones and himself.

AMERICAN CENTRAL LIFE

INSURANCE COMPANY

INDIANAPOLIS, IND.



WHEN YOU SELL LIFE INSURANCE, SELL

PERMANENCE!

One of the finest features of life insurance is its relative permanence. The reinvestment problem is not a factor.

Too little life insurance is sold as a permanent investment. Too much stress is laid on collateral values. When you sell life insurance

SELL PERMANENCE!

PROVIDENT MUTUAL
LIFE INSURANCE COMPANY OF PHILADELPHIA
Founded 1865



Develop This New Market For Accident Insurance

Many have commented upon the large amount of life insurance now being sold to "housewives."

With many women, however, accident insurance is the first insurance they will buy. Their first obligation is self-support and they dread loss of income and accident expenses.

We have contracts appropriate for business women and others for women at home. Our local office offers you striking advertising material.

**Connecticut General
Life Insurance Company**
Hartford, Conn.

THE TREND

in Life Insurance is definitely toward low cost pure protection without expensive, non-essential features.

That is the only kind of policy this Company has ever offered. A new simplified contract inaugurated July 1 this year is meeting universal acclaim. It is designed by an old conservative Company for the New Deal.

*Agency openings in
Illinois, Indiana,
Michigan and Missouri*

BANKERS MUTUAL LIFE CO.
FREEMONT, ILLINOIS

Founded in 1907

PACIFIC COAST AND MOUNTAIN

Beckley Retires From Service

**California-Western States Life Pacific
Northwest Superintendent Resigns—
A. S. Cartwright Is Oregon Manager**

R. M. Beckley, superintendent of agents for the California-Western States Life for the Pacific northwest with headquarters at Portland, Ore., has retired. For years Mr. Beckley was director of agents for the Western States Life which is now a part of the California-Western States Life organization. He feels that he should step out of active service by reason of the necessity to conserve his health. He has enjoyed an enviable record and has a host of friends on the Pacific Coast.

A. S. Cartwright has been appointed manager for Oregon and G. H. Phelps, assistant manager, with headquarters at Portland. Mr. Cartwright was formerly active in the Pacific northwest as Oregon manager of the Capitol Life of Denver.

Easterling Goes to Coast

Vice-President E. L. Roberts of the American National of Galveston an-

nounces the appointment of C. A. Easterling as manager in Los Angeles. He will have charge of the ordinary department for the entire Los Angeles territory. Mr. Easterling was formerly manager of the Missouri State Life in Nashville, Tenn., and built one of its largest agencies. He has also been assistant vice-president of the Missouri State Life. He possesses a splendid knowledge of insurance in addition to having spent a number of years in recruiting and training men.

Roberts Agency Outing

The Roy Ray Roberts Los Angeles agency for the State Mutual Life held an all day agency meeting at Hermosa Beach celebrating the fourth anniversary of the establishment of the agency. At the dinner W. J. Farrell, Penn Mutual, spoke on "Life Insurance Selling as It Is Today;" Royal Martineau, Los Angeles attorney discussed legal phases of the life business; and B. P. Rouse, general agent at Los Angeles for the Mutual Benefit Life, talked.

The Insurance Society of Washington is holding a life insurance course in Seattle with Kenneth Smith, Sun Life, as instructor.

WITH INDUSTRIAL MEN

Bradley Deserves Credit

**Home Life of America Official Responsible for Industrial Section of
American Life Convention**

W. J. Bradley, agency supervisor and advertising manager for the Home Life of America of Philadelphia, who retired as chairman of the Industrial Section of the American Life Convention this year, is entitled to all credit for getting that department of the work established and carrying it to completion in spite of all sorts of odds and opposition. Mr. Bradley conceived the idea of getting some organization to have a forum where industrial officials could gather and talk over their common problems. He had the satisfaction at the Chicago meeting last week of seeing the section in full bloom. He retires with great credit to himself and has the gratitude of his associates.

Mr. Bradley stayed in Chicago for a few days following the meeting and visited the fair. He left for Indianapolis where he spent a day this week and from there went on to Cincinnati.

Pilot Life Shows Gain

Showing the largest production gain ever experienced in its history, members of the industrial division of the Pilot Life of Greensboro, N. C., during the anniversary celebration in September eclipsed all former records by 14.5 percent, and by a 32 percent gain over the production record for September, 1932. W. B. Clement, superintendent, calls attention to the fact that the industrial division has been operating since September, 1920, and has rapidly grown to a place of prominence.

Imperial Life Juvenile Rates

The Imperial Life of Asheville, N. C., has reduced its rates on juvenile policies issued on children from birth to age 14 on the 20-payment life, endowment at age 18 and 20-year endowment plan. The reduction is made possible through the favorable mortality on this class.

Nashville Officials Attended

The National Life & Accident and Life & Casualty, both of Nashville, were

well represented at the American Life Convention meeting in Chicago last week. From the National L. & A. came President W. R. Wills, Vice President E. B. Stevenson, Jr., head of the ordinary department, W. H. McBride, actuary, and T. J. Tyne, Jr., assistant counsel. From the Life & Casualty came Vice-President and General Manager O. P. Grant and General Counsel P. M. Estes.

President Warfield Honored

The Eureka Maryland Assurance of Baltimore agents are devoting October in honor of President J. N. Warfield.

\$1,000 to \$1,600

Ordinary Life Insurance at An Average Cost GUARANTEED OF ONLY \$14.00 per \$1,000

Of Course Issued in Larger Amounts

All Premiums Returned
in addition to face of policy in event death before age 60

FULL FACE THEREAFTER AND PREMIUM REDUCED 20%

Example

Original cost, age 30, \$21.40 per \$1,000 to age 59; \$17.19 per \$1,000 thereafter.

If you reside in Ohio, Illinois, Indiana, Kentucky, Pennsylvania, Tennessee, West Virginia or the District of Columbia,

Write for Samples and Particulars

This is one of the many unique contracts issued by

Federal Union Life
FRANK M. PETERS, President
CINCINNATI, OHIO

DYNAMIC SHORT COURSE

Designed to put a new man into production upon a service basis at end of three days. Price \$3.00 cash with order; full refund if complete plans are followed and you are not satisfied.

Insurance R & R Service
Indianapolis, Indiana

Answers to C. L. U. Degree Examination

GENERAL EDUCATION (CONTINUED FROM LAST WEEK)

(c) Sociology

(Answer any three questions, retaining the question numbering given here.)

Question 1

In recent months there has been much discussion of the possibility of controlled inflation as a method of initiating economic recovery. Explain the immediate and the ultimate influences which a policy of sustained inflation would have upon the standard of living of:

- (1) Industrial wage earners.
- (2) Retail merchants.
- (3) Life underwriters, and
- (4) Beneficiaries dependent upon the proceeds of life insurance policies.

Answer to Question 1

It is understood that by sustained inflation is meant an increase in the price level to a certain point and maintenance of the price level at that point.

(1) The immediate effect of inflation will be to lower the standard of living of the industrial wage earner. His income always lags behind increasing prices. An attempt is being made at the present time by the administration to have employers raise wages so as to prevent a hardship falling upon the worker, and at the same time to stimulate business by increasing purchasing power. Since inflation stimulates business, many persons now out of work will be employed and so far as these are concerned their standard of living will be raised.

The ultimate effect of a policy of sustained inflation upon the wage earner's standard of living should be favorable. With business improving, the demand

for labor should gradually increase, so that wages would tend to increase to a point where the worker's standard of living would be as high or higher than it was before.

(2) The immediate effect of this policy on retail merchants would be favorable. With rising commodity prices, they would make increased profits upon their inventories. The fear of rising prices, as well as the increased buying power of those reemployed, would cause total sales to increase. Since there is a lag in the increase in wages and fixed expenses, profits would be greater. To the extent that they are debtors, they will profit by the decrease in the value of the dollar.

Eventually, however, as the prices of all commodities and services come into line with sustained inflationary standards, their profits will tend to be stabilized. The amount, however, should be greater than at present because of the increased volume of business.

(3) Inflation should be of immediate value to the alert underwriter because he can concentrate his efforts on those, such as retail merchants and the newly employed who are immediately profiting. He also has an excellent argument for sales in the decreasing purchasing power of the dollar which would require more life insurance to maintain the same standard of living for the beneficiary. Since the underwriter is paid on a commission basis and since the premiums will probably remain the same, it is obvious that he must sell a larger volume of insurance in order to maintain or increase his standard of living. His renewal commissions would also be depreciating in purchasing power.

Eventually the life underwriter should be better off. With sustained inflation (as defined above) the underwriter should find opportunities to sell more insurance because of the increased need, and the ability on the part of most persons to pay for it. The splendid record of life insurance during this depression should aid the life underwriter in his sales.

(4) Beneficiaries dependent upon the proceeds of life insurance would suffer both immediately and ultimately in direct proportion to the rise in prices. Their incomes (money incomes) being fixed, their real incomes would decrease and their standards of living would be lowered. This is a disadvantage of any fixed income.

Question 2

(a) Do you consider the workmen's compensation system an adequate solution to the problem of disability dependency? Give all reasons for your decision.

(b) Can the problem of old age dependency be met by (1) industrial life insurance, and (2) group life insurance? Explain.

Answer to Question 2

(a) I do not consider the workmen's compensation system an adequate solution to the problem of disability dependency.

(1) It covers only occupational accidents, although in some cases occupational diseases are included. Probably most disabilities arise out of non-occupational accidents and sickness.

(2) It excludes such types of labor as farm laborers, casual laborers, domestic servants, and employes in non-hazardous occupations.

(3) In many states the benefits payable are inadequate. The usual provision for disability is a percentage of the worker's pay which in many cases is sufficient only for mere subsistence.

(4) In many states the amounts payable for total permanent disability stop after a certain time has elapsed or after a certain amount has been paid.

(5) Criticism also may be offered regarding such things as the length of the waiting period, failure on the part of employers to insure, delay in settlement of claims, and unfair adjustments.

(b) The problem of old age dependency cannot be met by the use of industrial insurance. The principal purpose of this form of insurance is to provide for last illness and burial expenses. The policies are small in amount and consequently the cash values are low and unavailable in most cases until after a period of ten years. Because of the nature of the business, involving frequent collections of premiums, and high lapse ratios, this would be too expensive a method to provide for dependent old age.

Group life insurance is usually sold on the term insurance plan and hence has no cash value to provide an old age income. It is intended primarily to provide a death benefit and to prevent the necessity of "passing the hat" when an employe dies. Furthermore, it protects only those who are working for an employer who is carrying this form of insurance.

(TO BE CONTINUED NEXT WEEK)

W. A. Fraser, Lincoln, Neb., general agent of the Bankers Life of Iowa, held an agency school with 35 in attendance.



PURE PROTECTION LIFE INSURANCE

Estimated Average Annual Cost for Whole Life Policy over Period of Twenty Years based on Actual Experience Past Ten Years.

Age 35—\$15.38

Per \$1,000 of Insurance
Reduced to this figure by an earned dividend.

No Cash Demand Liabilities
except advance premium payments

Excellent Opportunity for Salesmen
Operating in Illinois, Michigan, Indiana and Missouri.

**INTERSTATE RESERVE
LIFE INSURANCE
COMPANY**

Mutual Legal Reserve Life Insurance
Ten East Pearson Street CHICAGO Phone Superior 1714

announcing a new plan

Readjustment Income

- 1—A Cash Payment to Clean the Slate.
- 2—A Living Income for Two Years.
- 3—A Smaller Income to Supplement Earnings for the Next Three Years.

A definite policy which fits a definite need, increases the average size policy and eliminates much of the detail formerly necessary in the sale of plans of this type.

STATE MUTUAL LIFE

ASSURANCE COMPANY

WORCESTER, MASSACHUSETTS

Incorporated 1844

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COATES & HERFURTH CONSULTING ACTUARIES

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Annuity Specialist

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128 North Wells Street, Chicago
Life Insurance Accountants
Statisticians

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Author "A System and Accounting for a Life Insurance Company."
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Legal Reserve, Fraternal and Assessment Business—
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Phone Franklin 6538 Chicago

INDIANA

Haight, Davis & Haight, Inc.

Consulting Actuaries
FRANK J. HAIGHT, President
Indianapolis, Omaha, Kansas City

HARRY C. MARVIN

Consulting Actuary
307 Peoples Bank Bldg.
INDIANAPOLIS, INDIANA

MISSOURI

ALEXANDER C. GOOD

Consulting Actuary
615 Trust Co. Bldg., Jefferson City,
and
800 Security Building, Kansas City

NEW YORK

MILES M. DAWSON & SON CONSULTING ACTUARIES

500 Fifth Avenue New York City

Audits Investigations
Ferguson, Serling, Daniels & Porter
Accountants and Actuaries
182 Maiden Lane
New York, N. Y.
Organization Management

PENNSYLVANIA

FRANK M. SPEAKMAN Consulting Actuary

Associates
Fred E. Swartz, C. P. A.
E. P. Higgins

THE BOURSE PHILADELPHIA

Consider Means of Meeting Conditions

(CONTINUED FROM PAGE 3)

icy loan moratoria, taxation and NRA codes.

In amplifying the points made in his prepared address, Mr. Biscay declared that too many company officials had allowed the depression germ to get into their systems, and that they are too willing to accept agents' alibis. He suggested that it would be well for the executives to get out once in a while and talk to people in various walks of life about present day conditions, so that they can "talk turkey" to the agents along those lines. He said there is a great lack of understanding as to what insurance is and does. The agents are in a rut and are not imparting this information as they should. He declared in that connection that the executives should encourage their agents to read the insurance journals. He said the companies should advertise their financial condition, as that is what the public particularly wants to know at this time.

McClain on Agency Situation

H. E. McClain, Indiana insurance commissioner, emphasized the need for a housecleaning in the agency ranks, taking his text from some of the talks given before the Industrial Section of the American Life Convention in Chicago last week. He said that while it is true that an agent is known by the company he keeps, it is also true that a company is known by the agents it keeps. While they are happily in a small minority, he declared that there are some agents that can be regarded only as a destructive influence in the business and said that 75 percent of the worries of his department come from these disreputable agents.

He also spoke of the lack of understanding of the true function of insurance and the need for educating the public. He expressed the belief that the industrial companies can do more to mold public opinion along this line than any other class. He promised the fullest cooperation of his department to the companies and also extended an official welcome to the conference on behalf of the state.

Craig Urges Quality

In introducing the round table discussion at the executive session Tuesday on "Agencies and the Standards That Should Control," C. A. Craig, National Life & Accident declared that too much stress had been laid on volume, rather than on the quality of business written. This led to the employment of agents that have a reputation as big producers, sometimes without any investigation of their records with the companies by which they were formerly employed. He urged more thorough investigation along this line. Various other company officials told of the methods they use to combat this problem.

In the other round table at that session on "Experience With New Forms of Coverage," A. D. Johnson, United of Chicago, told of his company's experience with a new accident and health policy which pays only half benefits for the first two weeks and slightly higher

benefits thereafter, resulting in a great decrease in the loss ratio. Other discussants suggested that over insurance was a bigger problem in connection with the advancing loss ratio than short claims. The high loss ratio on women also was emphasized.

Two other discussions scheduled for Tuesday, one on "Claims" introduced by C. P. Kendall, Washington National, and the other on "Limits and Selection of Industrial Life Risks" introduced by W. R. Lathrop, Southern Life & Health, were deferred to Wednesday.

The report of the statistical committee showed that the loss ratio of conference companies, which has shown an increase every year of the past 20, with but one or two exceptions, is still going up. With the premium income decreased from \$29,131,801 in 1931 to \$22,323,149 in 1932, the health and accident claim ratio jumped from 41.95 to 44.16 percent and death claims from 6.98 to 7.14, making the total for 1932 51.3 and for 1933 including August, 48.94.

The report of the executive committee, submitted by Chairman R. H. Dobbs, recommended a revision of the conference constitution and by laws. On recommendation of that committee, the Standard Life of Jackson, Miss. was admitted to membership in the conference. The report of Secretary-Treasurer P. W. Jones, Bankers Health & Life, showed an improvement in the financial position of the conference since last year, although it was necessary to drop some companies for nonpayment of dues.

Langley Takes Look Forward

A. B. Langley, vice-president of the Carolina Life, in his address at the Tuesday session, "Looking Forward," reviewed the difficult economic situation of the past few years, the service which life insurance has rendered, both throughout its history and in the recent crisis, and found the outlook for the future encouraging. In regard to President Roosevelt's "New Deal," he said:

"The old political philosophy has been discarded and the old cry against government in business silenced; today the government has a hand in the business of the entire country. Yet, what is there to say against it? Our old political philosophy and old formulas failed us in a grave crisis, and the gravity of the situation demanded prompt action. We turned to the government and got action, and the value of cooperation between government and business is being demonstrated for the first time in the history of our country. It matters not what you and I, individually, think of the government program. It is the government's program, and it must not fail."

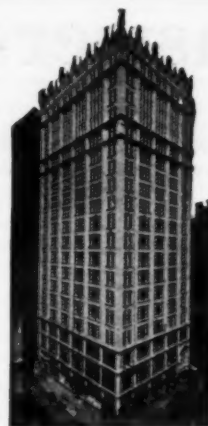
Harold R. Gordon, executive secretary Health & Accident Underwriters Conference, who was the last formal speaker, gave a very comprehensive and illuminating review of recent trends in disability insurance, covering the major changes of the past ten years and suggesting some possibilities for the future.

Hardin Succeeds Hyde as Retail Credit's Manager

E. J. Hyde, division manager of the Retail Credit Company, with headquarters in Chicago, has retired, being succeeded by E. J. Hardin from the head office. Mr. Hardin has been connected with the company 11 years, being for some time in charge of fire and casualty sales work. All of his experience has been in the head office.

Mr. Hyde has served the Retail Credit 25 years, having been located in various capacities in Dallas, New York, Atlanta and Chicago. He had been division manager in Chicago since 1928. J. P. McDowell, manager of the Chicago office, continues in that capacity.

James A. Reed, 63 years old, special inspector for the Prudential for the last 25 years, died this week at the West Suburban hospital in Chicago from a tooth infection.



North American Building, Chicago

Strong Progressive

North American Life Insurance Company of Chicago

John H. McNamara
Founder

E. S. Ashbrook
President

Paul McNamara
Vice-President



Famous Service



Renowned Food



HOTEL WISCONSIN Milwaukee



WALTER SCHROEDER
President

General
Library of
University of
Michigan
Ann Arbor
Oct 28 1933

The Nation Underwriter

LIFE INSURANCE EDITION

FRIDAY, OCTOBER 27, 1933

INS. LAB.

THE OHIO NATIONAL

CELEBRATES

Its Silver Jubilee

B-40
OCT 28 1933

SEPTEMBER 9, 1934, will mark the twenty-fifth milestone in the progress of The Ohio National Life Insurance Company. That is why ONLI representatives all over the country are celebrating the Ohio National SILVER JUBILEE YEAR.

The production of new business this year has shown a marked increase over previous years. This greater volume is due to several important factors:

1. An enthusiastic, hard-working field staff.
2. An unusually successful direct mail campaign, backed by personal contact from the Home Office.
3. The general uptrend in business.

ONLI representatives are using the Company's direct mail campaign that was especially prepared to increase the effectiveness of their sales efforts.

One SMALL agency conducted a one-day campaign on a carefully selected and previously circularized list of prospects. (This campaign was based on providing \$100.00 a month to the family for at

least 12 months.) The members of this agency started work at 7:30 in the morning and made their last call at 11 o'clock that night. The results of the campaign were:

Total Production	\$22,500.00
Number of applications	14
Service calls made	12
Number of agents under contract	5
Agents that turned in business	4
Number of policies reinstated	2

. . . In addition, quite a few fine prospects were secured.

Similar campaigns are now being conducted by other Ohio National agencies . . . with results just as unusual. These agencies are supporting their own excellent work with the advertising and merchandising cooperation furnished by the Home Office.

Business-building aids are available to all members of the Ohio National Field Staff.



For detailed information as to open territory or for association with an established agency, write John H. Evans, Vice President, at the Home Office.

The Ohio National Life Insurance Company

Cincinnati, Ohio

T. W. Appleby, President


POSTER No. 4

Showing October 20—November 20

ITS NAME INDICATES ITS CHARACTER

The LINCOLN
NATIONAL
LIFE INSURANCE
COMPANY
FORT WAYNE, INDIANA

"LINCOLN THE HOOSIER YOUTH"
by Manship on entrance plaza
LINCOLN NATIONAL LIFE BUILDING



ASSETS
MORE THAN
\$90,000,000

COMPLETING THE 1933 LINCOLN NATIONAL LIFE OUTDOOR ADVERTISING CAMPAIGN—

the first life insurance outdoor advertising program
ever instituted in the United States on a national scale

Early in 1933, The Lincoln National Life Insurance Company launched an outdoor advertising program to concentrate an institutional advertising message in certain metropolitan centers — localities where Lincoln National Life men operate.

The 1933 program began April 20 and will

end November 20. Throughout this period, LNL posters have been at work bringing a message of Company character to the public; smoothing the sales path for its field men.

Because of the success of the 1933 program, outdoor advertising will be continued in 1934 —on an even larger scale than in 1933.

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

Surplus to protect
policyholders more than
\$6,750,000

FORT WAYNE, INDIANA

Assets
more than
\$90,000,000

THE NATIONAL UNDERWRITER Life Insurance Edition. Published weekly by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Thirty-seventh year. No. 43. Friday, October 27, 1933. \$3.00 per year, 15 cents per copy. Entered as second class matter, June 9, 1900, at post office at Chicago, Ill., under act of March 3, 1879.

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The National Underwriter

LIFE INSURANCE EDITION

Thirty-Seventh Year—No. 43

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, OCTOBER 27, 1933

\$3.00 Per Year, 15 Cents a Copy

Actuaries Give Tip on Possible Action

Another Dividend Reduction Expected to Be Made By Many Companies in 1934

MORTALITY NOW LOWER

Vital Questions Concerning Annuities, Agency Matters, Replacements, Debated in Chicago

Out of the fall meeting in Chicago of the Actuarial Society of America and the American Institute of Actuaries comes the well established opinion that there will be additional dividend reductions in the 1934 scale. The continuing trend toward lower investment returns and the generally confusing currency and financial situation are important reasons for this probable action, it was stated by several speakers in the discussions.

J. G. Parker, actuary Imperial Life, Toronto, said the question of interest yield is highly important. Some persons believe lower interest may be expected for as much as 15 years. Expenses may be expected to remain high for some time. Although the drop in nominal yield does not appear so large, he said, there has been a very real drop in cash interest received by the companies.

Some Cautions Offered

Companies which hold a large proportion of municipal and public utility bonds should give this subject of dividends exhaustive study. Real estate values and mortgage securities are two highly important problems. Mr. Parker said on many mortgages a reserve of 25 percent might well be put up without over-reaching the mark.

The whole subject came up on discussion of surplus distribution. E. W. Marshall, Provident Mutual, stated there was probably some justification for reduction of dividends in view of lower investment return. He considered such action largely a measure to protect the companies due to chaotic general conditions.

General Situation Confusing

For the first time, it appears, there will be a lower level of premium loans. Companies he believes will be able to hold foreclosed real estate indefinitely. Percy H. Evans, vice-president and actuary Northwestern Mutual, said a percentage cut in dividends by many companies might be justified. Mortality and taxation are high, interest rates low, and expenses probably will remain at the present high level, if not rise. The business is just coming out of a period of redundant surplus earnings, he said, and may possibly be going into a period when cost of life insurance will increase for some time to come.

(CONTINUED ON PAGE 14)

Actuaries' Committee in Report on Cash Values

Two provisions of New York insurance law affecting non-forfeiture values are actuarially unsound and not adequate to protect the public against all conditions that may arise in the long history of a nation, the special committee of the American Institute of Actuaries which for some time has been studying cash surrender and loan values reported at the fall meeting at Chicago.

The two provisions in question are section 87 limiting contingency reserve of a life company, requiring that if the net value of policies is equal to or exceeds \$15,000,000 the contingency reserve shall not, subject to the conditions of the law, exceed 10 percent of the net value of the policies, and section 88 providing for non-forfeiture values based on the policy reserves computed according to the standard adopted by the life company and stipulating that after the policy has been in force three full years the surrender charge is limited to \$25 per \$1000, provided that \$25 is in excess of one-fifth of the entire policy reserve.

Leans to Missouri Law

The committee expressed belief that the Missouri law is an example of lines along which wise minimum legislation on cash surrender and loan values should proceed. The Missouri law does not limit contingency reserve of a life company; does not compel a company to guarantee non-forfeiture values on the same interest basis that the company employs in determining aggregate reserves held by it against its policies; does not limit surrender charge to \$25 per \$1,000.

Instead it stipulates that after three year's premiums have been paid a surrender value must be allowed in the form of either extended insurance or paid up insurance based upon not less than 75 percent of the reserve according to the actuaries' 4 percent table, but does not make compulsory the guarantee of cash loans or cash surrender value. If the policy is written as a preliminary term contract then the reserve is a preliminary term reserve and the law would require the surrender value to be based on that form of policy.

Makes Important Point

Many other points were brought out by the committee. It drew attention to the fact that an adequate surrender charge in connection with computation of paid up insurance values may be inadequate in connection with guaranteed cash surrender values and statutory requirements that cash surrender values shall be guaranteed in an amount at least equal to the value of the paid up insurance are not in accord with sound principles.

The committee took exception to one theory that has been advanced that surrender of policies will not under any circumstances result in deterioration in vitality of the policies that remain. It was stated that in times of stress and doubt as to corporate integrity, the proportion of those surrendering policies might become unduly high and an adequate provision should be made for protecting

interests of policyholders who continue, by means of adequate surrender charges.

It was emphasized that twisting will result in serious anti-selection against the company. If the policyholder who has a heavy loan on his contract and is in good health succeeds in obtaining a new policy, this results in withdrawal of a healthy life from the group, but if he is rejected for new insurance the old policy is continued in the original group. Thus the best of those who have borrowed are liable to surrender and those in poor health continue.

Curtailling of this widespread practice, the committee stated, while it might result in smaller amount of new business and elimination of duplication of initial expense would not necessarily result in reduction of total amount of outstanding insurance.

"We believe that the elimination of unnecessary initial expenses will be beneficial to the public," the committee stated. "The evils of twisting would be greatly minimized by the use of substantial surrender charges greater than now permitted under the law or employed by the companies."

New Business Expenses

Additional expenses incurred in acquisition of new business are in excess of renewal expenses incurred in caring for old business, the committee reported. In practice the excess of new business expense over renewal expense is advanced by old policyholders or stockholders, the new policyholder, if he continues, repaying this expense investment over a period of years. However if he does not continue, the committee said, it is necessary to have a surrender charge sufficient to repay the unliquidated portion of the new business expense. Without such provision the existing policyholder would not be treated equitably.

The committee emphasized the fallacy that the aggregate reserve may be broken down into individual items based on an average that can be allocated to individual policyholders, or, for instance, that if reserve on 1,000 identical policies is \$200,000 the reserve on each would be \$200. It was stated some would be in excellent health and others in poor health, the latter requiring greater reserve. The committee stated the true principle as to individual reserves should be considered in determining withdrawal values.

Considers Interest Factor

The committee said that it was not persuaded that guaranteed surrender values of life policies need be based on the same rate of interest employed in determining the aggregate reserve held by a life company against its policies.

It was said that eminent actuaries many years ago held it was a great advantage to carry aggregate reserves on a standard considerably more stringent than would be employed as a test of solvency, and attained this stringent reserve by use of a low rate of interest. In times of great national stress, necessary surplus could be set free by in-

(CONTINUED ON PAGE 25)

Budgetary Control Is Leading Topic

Research Bureau and Agency Officer People Hear Weighty Discourses

BIG RALLY AT CHICAGO

J. A. Stevenson Heads Agency Officers Association and E. B. Stevenson, Jr., Heads Bureau Directors

Those attending the joint meeting in Chicago of the Life Insurance Sales Research Bureau and Association of Life Agency Officers felt they were well on the way to becoming certified public accountants. Much of the program consisted of presentation of budgetary control ideas, accompanied by numerous charts, in which the various items were "broken down" into a multiplicity of subdivisions. "Breaking down" items is a favorite practice of budgeters.

The subject of budgetary control was given prominence at last year's convention. Apparently those who drafted the program felt that the conditions which made budgeting important last year, are even more pronounced today and that the subject should be handled even more extensively.

Program Is Balanced

The budget papers necessarily being heavy, the program was balanced with more dynamic subjects. Highlights of the first two days were the observations of M. A. Linton, president Provident Mutual, who made a keen analysis of the national program, and of W. W. Jaeger, vice-president Bankers of Iowa, who made a stirring appeal in behalf of the old agent and old fashioned selling technique.

On the third day, the subject of budgetary control, was not introduced, and the sessions were therefore livelier. The final speaker, J. A. Fulton, president Home Life of New York, made a profound impression, in developing his ideas of evils in the business which must be corrected to conform with the spirit of the new national program.

The attendance was large and most of the conventioners stayed to the end.

John A. Stevenson Elected

John A. Stevenson, home office general agent Penn Mutual, was elected chairman executive committee Life Agency Officers Association. Henry E. North, second vice-president Metropolitan, is vice-chairman.

The new chairman of the board of directors of the Research Bureau is E. B. Stevenson, Jr., National Life & Accident, and vice-chairman is A. Gordon Ramsay, Canada Life.

The new members of the executive committee of the agency officers are: T. O. Cox, superintendent of agencies Excelsior Life of Toronto, and chair-

(CONTINUED ON PAGE 12)

T. M. Riehle Is Featured at Vivian Anderson Luncheon

T. M. Riehle of New York City, associate manager of the Riehle agency of the Equitable Life of New York, journeyed to Cincinnati last Thursday to do honor to his rival for the office of president of the National Association of Life Underwriters, C. Vivian Anderson of that city, who was elected. The Cincinnati Life Underwriters Association gave a luncheon in tribute to Mr. Anderson, which brought out some 300 members. Mr. Riehle was a special guest and as he stood up to speak Mr. Anderson arose at the same time and both shook hands very cordially.

Gives Riehle a "Tough Job"

Mr. Anderson stated that right after his election Mr. Riehle requested that he give him the toughest job that he had. President Anderson said that he appointed Mr. Riehle as chairman of the membership committee and he knew that the position would be well filled. Mr. Riehle's fine sportsmanship has elicited wide acclaim and he is already assured of the presidency following Mr. Anderson's incumbency in office.

Mr. Anderson was introduced by Ray Hodges, home office general agent of the Ohio National Life, who was in charge of the Anderson campaign committee. Mr. Hodges paid tribute to a number of Cincinnati life men who contributed largely to the success of the Anderson candidacy. Mr. Anderson said that if insurance men had worked with the same enthusiasm and energy that the investment people did some years ago, the depression would have been considerably softened. If people had bought life insurance instead of a lot of speculative stocks they would have something to show for their money. President Anderson said that in his opinion the life men had missed a great opportunity.

Wants New Fight Started

He advocated the starting of a new fight to keep the country on an even keel. The more life insurance that is sold the better off will be the country. He said that if a life man has real ability and doesn't use it to the best advantage he deserves the severest criticism. President Anderson predicted that in the years to come there will be a better selection of agents. There is need of recruiting, he said, but at the same time the supervising forces must look

after the older agents. They should be given sufficient attention so that they will not slip.

He stated that the Ohio Life Underwriters Association is now featuring a woman speaker who is talking before organizations and clubs and in a very pleasant way brings out some phase of life insurance. She is Miss Mary Sue Wigley. She is talking in October chiefly to parent-teacher associations. To these groups, Miss Wigley will distribute several thousand copies of "Dollars Come Into Your Hands" and "Mary Newton's Fur Coat" both prepared by the "Diamond Life Bulletins." He said that women are great factors in life insurance buying. They have much influence on their husbands when it comes to building up a life insurance estate. He said that it is highly necessary to break down the sales resistance in the home.

Wants Constructive Publicity

During his administration President Anderson said that plans will be made to endeavor to get more constructive publicity in the newspapers. He thinks it desirable to have the right kind of articles published in the magazines. During recent months he said some of the national magazines have been publishing misleading articles written by destructive writers who seek at sensationalism. He denounced twisting, saying that its tendency always is to tear down. He said it is an easy matter to go to a man who is carrying insurance and by subtle suggestion or wrong information plant erroneous ideas in his mind. He said that when a man lapses his insurance, especially through the twisting route he never has the same ardor that he had in rebuilding. The first start he said is always the best. This forms the foundation on which to build. The man who loses his home because of mortgage foreclosure never has the same enthusiasm for home building after that. Whenever there is need for adjustment of one's insurance President Anderson said it should have the utmost care. When insurance is revamped the agent should lose sight of the commission he could make.

Should Study New Ohio Laws

Mr. Anderson said that a membership in a life underwriters' association should be made of real value to the man who

(CONTINUED ON PAGE 24)

Increases in Life Sales for September Reported

The Will S. Reeve general agency of the Union Central Life in Detroit reported a gain of 53 percent in paid business in September over August.

Production of the California-Western States Life during September was 28 percent greater than in September, 1932, and was the largest September in the history of the company.

E. W. Albachten, Pacific Mutual Life general agent in Detroit, in September placed second among Pacific Mutual agencies in the country in volume of production, turning in \$283,000 with a staff of 15 underwriters.

Manager Arthur Smith of Sun Life of Canada in Portland, Ore., announces that 147 persons were written for \$279,974 in a one-day sales drive in Spokane and the Inland Empire points. The 29 representatives of the Sun Life in Portland in their one-day sales drive wrote 72 applications for \$130,850.

Net new business of Acacia Mutual Life for the first nine months of 1933 was 23 percent ahead of the same period in 1932.

Vice-President V. H. Jenkins of the Occidental Life of Los Angeles announces that so far the company has written \$5,000,000 more new business than during the entire year of 1932 and that this is nearly double that written last year up to October 24. He also announced that its new policy would be exploited by a broad newspaper and radio advertising program in California, Oregon and Washington, the radio program starting Oct. 30.

Copies of New Constitution and By-Laws of I. A. C. Sent

NEW YORK, Oct. 26.—Copies of the new constitution and by laws, adopted by the Insurance Advertising Conference at its Briarcliff meeting have been mailed to members, together with a letter from H. H. Putnam of the John Hancock Mutual Life, president of the conference, setting forth the objectives of the new constitution, and noting the major points of difference from the previous one.

To Seek Bids for National, U. S. A.

Order Expected to Be Issued This Week to Call for Reinsurance Offers

VALUATIONS DOUBTFUL

Little Chance Seen for Reinsurance Other Than Management Basis—Twisters Warned

Bids for reinsurance of the National Life, U. S. A., of Chicago, now in the hands of a receiver, will be sought immediately. An order to this effect is to be asked of Circuit Judge Lindsay of Chicago by Receiver P. J. Lucey.

There is every likelihood that the best offer the receiver will be able to get is one calling for a management agreement, rather than outright assumption of all liabilities and taking over of assets at any set figure, according to persons in position to be well informed. However, a number of companies have expressed some interest.

Result of Slow Disintegration

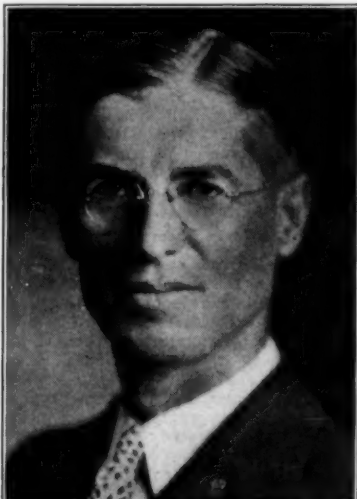
The process of disintegration of the company has been going on for a long time. The large bank stock holdings have been the subject of comment for several years; in fact, ever since the stock crash of 1929. Considered at one time a preferred investment bringing high return, they had become some of the most doubtful assets. More than two years ago the "handwriting on the wall" was seen by many life insurance men. Only the convention valuation method which for so long sustained a hypothetical valuation on the questionable stocks staved off the receivership. The valuation of these stocks is one of the difficult problems lying in the path of any outright reinsurance of the business. There is an almost equally difficult task in valuing the large real estate mortgage holdings. It is believed that even in less chaotic times there would be great trouble in finding a company willing to take over the assets at a fixed figure.

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OFFICERS OF AGENCY EXECUTIVES ASSOCIATIONS



E. B. STEVENSON, JR., National L. & A. Chairman Sales Research Bureau



A. GORDON RAMSAY, Canada Life Vice-Chairman Sales Research Bureau



JOHN A. STEVENSON, Penn Mutual Chairman Agency Officers



HENRY E. NORTH, Metropolitan Life Vice-Chairman Agency Officers

New Deal Doesn't Exempt Insurance

Business Must Bring Itself Into Harmony With National Plan

IEWS OF J. A. FULTON

Investment People Should Ask What Is Need for Project to Be Financed

"Regardless of the supreme court, regardless of Paul vs. Virginia, any business which is so impressed with the public welfare as life insurance, any business which is such an integral part of the economic life of the nation, must sooner or later bring itself into complete and absolute harmony with the national plan or society will find a way to force it to do so."

From this premise, President James A. Fulton of the Home Life of New York, in addressing the meeting of the Life Agency Officers in Chicago, outlined practices in the business, which he contends, should be corrected to bring the business into conformity with the new deal. The primary principles of the new era, he said, are that no business shall indulge in any practice which is harmful to society as a whole and that no unit inside of a business shall indulge in any practice which is harmful to the business itself or unfair to the other units in the business.

Investment Principles

In making investments, he said, insurance executives should ask: "What is the genuine need for the project to be financed and what effect will that project have on the legitimate investments of other people?" Those questions are pertinent in the new deal, he said. For instance, construction of a new skyscraper or hotel in a section of a city with adequate facilities in those directions might destroy the value of existing properties and imperil the investments of other institutions and other people. The mortgage on the new property may be safe and yet, in a planned national economy, the company that made the loan would be doing an unsocial act.

Mr. Fulton discussed in the light of the new deal, the argument that there are too many companies and too many small companies in the field. He expressed the belief that the young and small company has a distinct and legitimate place provided it arises out of a legitimate need, addresses itself to the meeting of that need and avoids attempting to duplicate services which are being more adequately performed by existing institutions.

Unsocial Promotions

The company which does not meet that test, he said, is the one which was promoted without any idea of how it could render service and properly justify its existence. It was launched as the result of someone's ambition and merely started in business. It really attempted to duplicate what the older and larger companies were doing. Usually unsuccessful, it set up conditions which were damaging to the business itself.

The legitimate small company was launched, he said, as the result of commendable ambition, coupled with vision. For instance, the builders might have seen a need for developing stretches of territory and giving service to numbers of people who were receiving inadequate attention. As a result, insurance was

(CONTINUED ON LAST PAGE)

Vice-President of Union Central Taken by Death



GEORGE L. WILLIAMS

George L. Williams, vice-president of the Union Central Life, died Monday night after an illness of several months. He was born in Delaware, O., in 1877 and attended Ohio Wesleyan and the University of Cincinnati law school. He started in the legal department of the Union Central, became editor of the agency bulletin and later entered the agency department and became secretary of the company. He was elected vice-president ten years ago.

Mr. Williams' funeral was held at Calvary Church Thursday.

Duryea's "When to Stop Talking" is a gold mine of helpful suggestions. Order from The National Underwriter. \$2.00.

Rehabilitation of Older Men Stressed by Jaeger

Concluding the Tuesday morning's session of the Life Agency Officers meeting in Chicago, after several heavy papers of a technical nature, principally on budgetary control, had been presented, W. W. Jaeger, vice-president and director of agencies, Bankers Life of Iowa, electrified the audience with a plea to devote attention to the rehabilitation of old men and to the resurrection of some of the old-fashioned selling technique. Some of Mr. Jaeger's remarks might be construed as mild criticism of too great preoccupation with technical details.

Mr. Jaeger criticized the tendency to cast aside the older agents as dead timber and to devote all of the energy on new men. He asked his listeners to place themselves in the position of the older men. He asked what their reaction would be to constant reiteration of the idea that the veteran agents are in a hopeless slump and that plans should be framed largely for the new men.

Build Men Is Job

The job of the agency executive should be to build men rather than to build man-power, he said. Attention should be given to the old men. They should be taught to think for themselves and act for themselves and should be inspired with new ambition. The methods of handling the older men should be changed. Every aid should be put at the disposal of the older men. Plans should be drafted for them, the general agent should give personal supervision, accompanying the old man in the field if necessary. More can be accomplished in this way, according to Mr. Jaeger, than by calling the old man

into the front office and chastising him for his lapses. Mr. Jaeger advised leading the older agents out of the woods instead of driving them out. He said it is cheaper to devote time to the older men who have had experience, than to attempt to float new men who have not had experience.

The life insurance structure, Mr. Jaeger said, was built on the production of \$1,000, \$2,000 policies and occasionally a \$5,000 policy. During the boom years, the agency executives tried to develop their men too rapidly so that they could handle big business in a big way. They became befuddled.

Return to Dynamic Talk

What is needed, he said, is a return to the old dynamic sales talk based on insurance as protection. He cited the fact that men with a knowledge of only two or three policies, but who have the ability to warm the hearts of prospects by appealing to their sense of protection, are "running rings around" men with a greater knowledge of technical details.

Mr. Jaeger expressed the belief many of the older men are in a slump, because their companies have permitted or encouraged them to rewrite business against which loans have been made. This practice is demoralizing the agent and gets him off the proper track. The great danger is that in permitting agents to rewrite policies of their own company, that they will naturally turn to rewriting policies of other companies. "We must right about face," he declared, "or we are riding for a fall."

Even Few Cases Dangerous

Mr. Jaeger said it is dangerous to permit agents to even rewrite a few cases, on which the approval of the home office has been obtained. In former days, the Bankers Life, he said, permitted agents to call on certificate holders of the predecessor assessment company, to switch their insurance over to the legal reserve basis. Ninety-five percent of the men who were given this privilege failed when that avenue was closed and they were forced to get their own prospects.

Mr. Jaeger advised taking agents into the confidence of the home office and give them a greater insight into home office activities. They should be impressed with the waste in rewriting. He told of the system in the Bankers Life, whereby the agency managers elect a committee of nine, who go to the home office the first of the year when plans are being drawn. Home office people tell the committee the problems to be faced and the changes that are to be introduced. The opinions and suggestions of committee members are solicited. Following this conference, there is a meeting of all the general agents and managers. There has always been a loyal response from the ranks. During the moratorium, the home office did not receive a single complaint from the field force.

Developing Men for Managers

Mr. Jaeger advocated developing men for managerial positions from the company's own ranks rather than proselytizing. The companies, he said, must redevelop and retain the dependable old men, so that the necessity will not arise to go outside the ranks of the company for managerial talent. He said that of the 60 managers of the Bankers Life, 58 were appointed from the company's own organization.

The company must get more efficiency from the older men. Recognition must be given to the fact that the old men are mature men and they must be dealt with as such. They should be

(CONTINUED ON PAGE 23)

WHEN DONE RIGHT

Among the wholly reliable sales helps supplied by many Home Offices is the Direct Mail service. Properly used it is indeed a powerful part of the process of salesmanship. An easy approach to the prospect is provided, the initial sales resistance is lessened, receptivity is frequently created, and tightly shut doors are opened.

This is the universal experience of those who use Direct Mail according to the rules. Among the rules are these:

1. Select prospects carefully.
2. Send lists to Home Office regularly.
3. Follow up by calling promptly on every prospect, and not alone those who have replied.
4. Use an effective organized sales talk.

In this period when business is difficult to get, and the underwriter's income is low, Direct Mail is a "life-saver." And at all times it is a business-getter.

THE PENN MUTUAL LIFE INSURANCE CO.

WM. A. LAW, President

Independence Square

Philadelphia

Stevenson Takes Conservative View

Urges Middle Ground Policy in
Selecting and Training
Agency Force

ATTITUDE ON NEW BLOOD

New Chairman of Agency Officers Ex-
ecutive Committee Drops Word
for Old Men

The middle of the road viewpoint on many questions of policy under consideration today was expressed by John A. Stevenson of Philadelphia at the meeting of the Agency Officers Association and Research Bureau in Chicago. Mr. Stevenson is the new chairman of the executive committee of the Agency Officers Association.

Although the life of the agency or-

ganization depends on new blood, too much new blood, he said, should not be introduced so as to cause apoplexy. Selective recruiting is indicated. New men should be trained as promptly and effectively as possible and the failures eliminated as quickly as possible. The problem of building new organization must be approached with a certain amount of caution, especially in view of the cost and the expense involved.

Must Rehabilitate Old Agents

Mr. Stevenson expressed regret there has been so much criticism of the old organization and that a defeatist attitude has been accepted for the old men. Life insurance morale will suffer unless the problem of rehabilitating the old organization is solved. The old men should be handled individually, given individual counsel and their intimate human problems discussed, rather than handled in a group.

Mr. Stevenson said the manager has been on the horns of a dilemma, first because of the agitation against large policies and now because of the fact he is criticised for producing policies of low average size. The solution seems to be to concentrate on policies from \$5,000 to \$25,000.

Agency officers should not expect general agents to do too much with bud-

getary control, which is something new even to the agency officer.

Mr. Stevenson expressed the belief there is too much "luggage" in connection with training. Although favoring organized, planned training, he said the material must be carefully selected from the point of view of its effectiveness and the tendency should be away from volume.

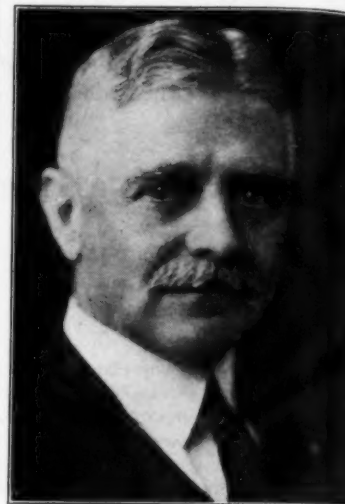
Should Meet Modern Needs

Mr. Stevenson said he is opposed to going back to the selling of only one or two policies for family protection. That would be like going back to Model "T" Fords. Frills and tricks, however, should be eliminated and efforts should be devoted to meeting real modern insurance needs.

Mr. Stevenson said too much has been spent for supervision. He believes in larger units of supervision and "mechanical" supervision where necessary. Only a certain proportion of men can be made to succeed in life insurance or in any other business.

He closed with an appeal for a positive, absolute attitude towards life insurance. There should be no apologies. Insurance has less to answer for than any other organization. Enthusiastic leadership must be furnished the men in the field.

New Sixty-Six



JULIAN PRICE

Julian Price, president Jefferson Standard Life of Greensboro, N. C., will celebrate his 66th birthday Nov. 25. Therefore, during November the agents of his company will put on a lot of speed and on his natal day there will be big doings up and down the line. The Jefferson Standard is conducting its annual birthday campaign and will feature its new policy, the "Dixie Special." Mr. Price is held in affectionate regard by all the men in the organization.

The Jefferson Standard has organized the 50 leading paid for producers into a club known as the "Fightin' Fifty." Each member is expected to produce a minimum of \$30,000 of new business during the month. The campaign in addition to production is based on definite conservation principles. Settlement with application and new business on old policyholders are urged. This, the company believes, will give it a far better quality of business.

Central Life of Iowa Upheld in Illinois Life Contract

The Central Life of Iowa will undoubtedly now be able to carry on its contract for taking over the Illinois Life without let or hindrance inasmuch as Federal Judge Wilkerson of Chicago approved the valuation of its assets set by master of chancery at \$4,240,000 and denied an appeal from the reinsurance order that was attacked by outsiders attempting to upset the plan. It was reported that the cost of administration had been \$340,000 and a dividend of 15 percent to creditors may be possible. The Central Life is now paying death claims under Illinois Life policies according to the contract and is endeavoring to hold the business on the books. It has reinstated a number of policies that had lapsed.

Budget Plan of Liberty National Is Explained

F. P. Samford, vice-president Liberty National Life of Birmingham, Ala., explained the budget plan, which his company has followed for several years, in his address before the Life Agency Officers meeting in Chicago Monday.

Among the objectives in budgeting are to estimate as accurately as possible the income for the coming year; to set up in advance a definite amount that may be spent for any particular item of controllable expense; check these expense items each month, to estimate the demands that will be made upon this income by reason of policy contracts; to follow these estimates closely month by month and catch the trend.

Present Day Conditions Add Interest

Of the New
Opportunity for
Advancement

Close Home Office-
Field Contact

Agency Minded
Company

Modernized Sales
Plans and Materials

Modern, Saleable
Contracts

Aggressive Outlook

*to a Company which
combines all the advantages and opportunities
of a young, aggressive
organization with the
stability and background
of an old, established
institution,*

the Home Life.

{ On Agency Matters Address
CECIL C. FULTON, JR.
Superintendent of Agencies }

Of the Old
74 Years of Exceptional
Background

Strong Financial
Position

Accumulated
Experience

Purely Mutual

Seasoned
Leadership

Established
Reputation

Home Life Insurance Company

256 BROADWAY, NEW YORK, N. Y.

ETHELBERT IDE LOW,
Chairman of the Board

JAMES A. FULTON
President

A WORKABLE SOLUTION FOR THE PROBLEM FACED BY EVERY INSURANCE COMPANY

● *Four years of depression, and the amazing changes of the past few months, have combined to change the policyholder's attitude toward his economic future and, inevitably, toward his insurance policies.*

● Some can no longer afford to carry out their existing insurance programs. Some find the interest load of their policy loans too heavy to bear. Some want and know they need additional protection. Yet, until personal contact is established with each policyholder, it is impossible for the insurance company to help the insured revise his program for maximum benefit.

● Through personal contact alone can insurance companies help these policyholders—by learning of their exact financial condition, their attitude regarding present insurance, and determining whether or not a more equitable plan of protection can be arranged to meet present day demands.

● The American Conservation Company, through its nation-wide field force, is in a position to service policyholders—no matter where they may be, in the United

States or Canada—in large or small companies. It makes no difference whether the service involves 1,000 or 100,000 policyholders. Moreover, we are in a position to contact promptly those thousands of policyholders who, investigations have revealed, are in localities entirely out of touch with company agents.

● By means of a new plan created by this organization, it is possible for a company to employ the American Conservation Company to rewrite business upon which there are policy loans and to reinstate on a premium-paying basis insurance now running as paid up or extended insurance—all this without making it necessary to dispose of any reserve assets to pay commissions.

● A letter will bring complete information on this plan and the service conducted by the American Conservation Company.

AMERICAN CONSERVATION COMPANY

LIFE INSURANCE SERVICE • HERBERT G. SHIMP, PRESIDENT

307 NORTH MICHIGAN AVENUE, CHICAGO

Moratorium Just a Fainting Spell

Dr. Huebner Says Action Was Justified Because Public Misused the Institution

PROVED TRUE STRENGTH

Nothing Fundamental Has Happened to Affect Insurance—Policyholders' Losses Less than \$1 per \$1,000

NEW YORK, Oct. 26.—The recent moratorium on policy loans and surrenders was akin to a fainting spell in a human being and should not be regarded more seriously than that, Dr. S. S. Huebner, professor of insurance University of Pennsylvania, told metropolitan New York agents of the Connecticut Mutual Life at a meeting here. The moratorium constituted the best answer to any question as to how life insurance would come through the worst possible conditions, he said, adding that it should have been declared long before it was.

"Just as nature withdraws consciousness for a brief period when overpowering fear or pain pass human endurance, so does a moratorium put a stop to intolerable conditions in life insurance until they have again become normal," Dr. Huebner said.

It is a good thing both for human beings and for the institution of life insurance that some power can step in when things get too bad, he said.

Moratoriums Are Necessary

"Moratoriums are necessary when we show that we have forgotten how to use an institution," he continued. "When people show that they no longer know how to use the stock market, the commodity markets, the banks, or the gold standard, the only course is to take those institutions away from them for a time. When the hysteria is over they can be given back to the public."

"The same thing applies to life insurance. When people weren't able to get money from the banks, they rushed to the life companies. People were

(CONTINUED ON PAGE 23)

More Power Is Concentrated Now in Branch Office Manager

The plan upon which the Great West Life of Winnipeg has been working for two and a half years, was explained to the meeting of the Life Agency Officers by H. W. Manning, assistant general manager of that company. The plan was launched, he said, when stock was taken of its situation. It was a comparatively young company that had made a rapid growth and reached a stage when business conditions were beginning to restrain production and take a toll on business in force. The company had operated under the system of large territorial units. A finer division of operations was therefore indicated. Branch offices had been under dual control and there was much centralization. In dividing the territory, decision was reached to give greater local economy. The home office agency department was expanded. A stronger and more organized effort to sustain production was demanded of the agency force. The branch managers were given conservation responsibility.

Five Chief Divisions Mentioned

In the plan there were five main subdivisions, agency administration, recruiting, training, production and conservation. Formerly, a parity was recognized between the branch manager and the cashier. This dual control was abolished and responsibility for the administration was delegated to the manager. Then the manager was encouraged to delegate responsibilities to the cashier.

An inspector of agencies at the home office was appointed to assist the managers. The company recognized in each branch office all of the functions of the company, barring investments.

Head office control of agents' financing was relinquished and freedom was given to managers. The home office merely counseled with managers on financing.

Instead of the home office conducting training courses, the training job was delegated entirely to the branch. The home office has taken the initiative in suggesting and fostering planning and time control in the branches. Agencies are encouraged to set up short term objectives. The field force is skilled in contacting, servicing, selling and re-selling. The field organization was strengthened along the lines of more effectively coping with the problem of conservation.

Managers were appointed for many new branches. This meant recruiting

and training. Young men were chosen, but men with experience in life insurance selling. In 14 new appointments in the past two years and a half, there was an average age of 39 years and an average selling experience of 10 years. With only two exceptions, all of the new appointments were recruited from the field organization of the Great West. Mr. Manning attended the agency executives' seminar of the Sales Research Bureau, three members of the home office agency department attended bureau schools and 10 managers have attended managers' schools. Several of the managers attended the same schools and there was a degree of uniformity in their background.

The company depends upon its managers to command all the functions of the branch office, delegating those things which, relating to the conduct of the office, can properly be reposed in the cashier or branch secretary. He expressed belief that recognition of the branch manager as the sole head of its agency operation has resulted in a clearer coordination of all the company's functions within the sphere of a branch office.

National Life of Vermont Is On a Stable Foundation

In response to inquiries from newspapers and policyholders, President F. A. Howland of the National Life of Vermont makes the following statement:

"By reason of the similarity of names, a Chicago stock life company, the National Life U. S. A., mentioned in the papers as in receivership, has been confounded in the minds of some people with the National Life of Montpelier, Vt., a mutual company. The Vermont company has no connection whatever with the Chicago company and is in an unassailable financial condition, having steadily increased its resources and reserves during the depression."

Committee Recommendations

The National Association of Life Underwriters is sending to local associations a questionnaire asking for recommendations for members of committees. Except for selection of T. M. Riehle as chairman membership committee, all other appointments are open.

General Agents Hold Conference

Massachusetts Mutual Life Men Gathered at the Home Office

C. O. FISCHER PRESIDED

Some Methods That Are Being Followed With Success by the Different Offices

OFFICERS ELECTED

President—S. W. Hughes, Manchester, N. H.
Vice-President—Ward Hackleman, Indianapolis.
Secretary-Treasurer—John F. Cremona, Washington, D. C.

SPRINGFIELD, MASS., Oct. 26.—The 1933 general agents conference of the Massachusetts Mutual was held this week at the home office in Springfield, Mass. C. O. Fischer, general program chairman, opened the conference Monday. Greetings were extended by President W. H. Sargeant and F. T. McNally, general agent in Minneapolis, president of the General Agents Association.

Selection and training of men was the topic Monday afternoon in a session presided over by George E. Lackey, general agent in Detroit. Other speakers were E. W. Snyder, T. C. Looney, Jr., A. D. Lynn, D. C. Keane, K. E. Williamson, A. T. Haley and F. W. Drake.

Benefits of Concentration

At the Tuesday Morning session C. K. Litchard of the Springfield agency spoke on the value of concentration. He has analyzed, he said, the methods of two general agents, one of whom had maintained even production during the last few years and another whose agency production had slumped one-half. He attributed the successful agency record to concentration on definite jobs following well made plans. The job of production, as he outlined it, includes recruiting, training, supervision and accounting.

Ability to concentrate on one of these at a time, driving toward a definite goal is the secret of successful agency management. First a goal is set, for example, six new men during the year. That means one each two months. Then every second Wednesday was set aside for the specific work. Likewise Tuesday and Thursday afternoons were used for accounting. Whatever is done should be done very thoroughly, suggested Mr. Litchard.

Cits Concrete Results

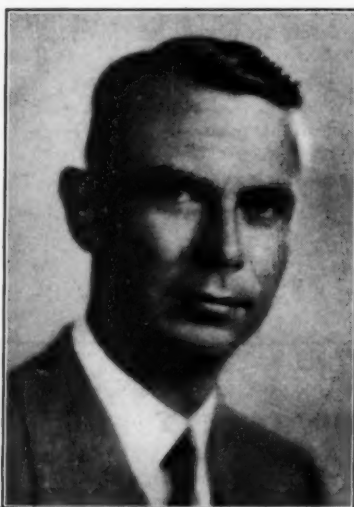
He cited the agency which concentrated on immediate annuities for 60 days, producing \$250,000 of annuity business later. The same concentration on family income brings similar results.

Excellent talks on production were made by Mr. Lackey, L. E. Simon and W. H. Hackleman.

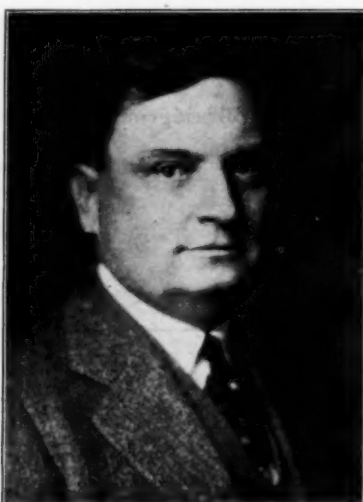
H. W. Abbott, G. H. McDonald, and L. C. Witten spoke Tuesday morning on conservation. Mr. Abbott described a bookkeeping system in his office which enables the general agent to tell each month the total potential value of an agent's renewal commissions. Mr. McDonald emphasized that each policyholder must be the individual responsibility of some agent. His suggestions for improving conservation were definite motivation of the agent to sell insurance for meeting specific needs and to recognize his obligation for conservation to the policyholder, the company and himself. Conservation management offers an

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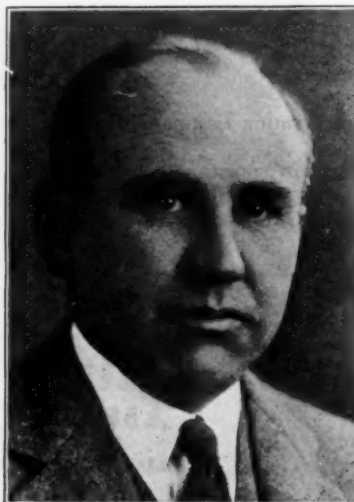
BIG FACTORS IN EXECUTIVES' MEETING



M. A. LINTON, Philadelphia Provident Mutual Life



L. J. DOUGHERTY, Davenport Guarantee Life



JOHN M. HOLCOMBE, Hartford Research Bureau Manager

Life Insurance in Fourth Phase of Selling Motive

WOODS TALKS TO SUN AGENTS

Earl D. Owen's Connecticut Men Hear Some of the Stimulating and Invigorating Gospel

Rowland Woods and C. H. Heyl, from the home office of the Sun Life of Canada, were the principal speakers at the annual get-together of the Sun Life agents of Connecticut in charge of Earl D. Owen, general agent for that state, at Norwich, Conn. Mr. Woods is assistant to George H. Harris, supervisor field service bureau of the Sun Life, and Mr. Heyl is inspector of agencies. Forty-two were present.

Mr. Woods declared that life insurance is now in its fourth phase of selling emphasis since the world war. Directly following the war the emphasis was on protection. This idea had been popularized by the attitude of the government in protecting the dependents of soldiers through life insurance. Following that phase came emphasis on investment and then with the depression came more attention to protection and now in the post-depression period, the investment idea is once more coming to the front.

Life Insurance Provides "Specific"

A man who dies without life insurance, explained Mr. Wood, leaves his family just as one who absconds with most of the liquid funds of his estate. This is true because a family which seeks to discharge the debts of the head of the family usually finds itself as a residuary beneficiary only. When the creditors, the government, and any specific bequests have been satisfied, little remains for the family itself. Life insurance can provide a "specific" to meet the obligations to family, creditors, including the government as a preferred creditor, favored charities, and the man's business. Mr. Woods believes that not sufficient stress has been placed upon business insurance as fundamentally for the protection of the family. A man looks upon himself as a going concern. He projects himself in his thinking as a potential estate. But death destroys this potential estate and brings the family face to face with the actual present estate.

Three Primary Elements Cited

The three elements which a man seeks in putting aside his money, said Mr. Woods, are savings, investment and income. Life insurance is perfect in all three.

Life insurance to provide vocational training for the wife in the event of the husband's death was suggested by Mr. Woods to solve the problem where a limited amount of insurance only can be taken.

Louis Crandall, Norwich, leading producer for the New England Mutual, and well known to life men throughout the United States and Canada, was the luncheon speaker. He has passed through 578 weeks producing from one to 35 applications each week. His business was 60 percent better in 1932 than 1931 and this year he is ahead of last.

"Poorest" Salesman Often the Best

He indicated that the best salesman is the one who may impress the prospect as being the poorest. Most salesmen are too aggressive and scare away possible business. Be less of what people think a salesman is, according to Mr. Crandall, and more buying will be done by the prospect. The life salesman, as lived by Mr. Crandall, spends much time in developing and maintaining a cheerful and constructive mental attitude. Among other methods of doing this, Mr. Crandall memorizes inspirational poetry and he recited several to the delight of his luncheon audience.

Committee Reports on Pooled Air Experience

Companies represented in the Actuarial Society of America for some time have been pooling their experience on aviation risks who had an obvious aviation hazard when they took the insurance. Up to date the experience, according to the report of the aviation committee of the society filed at the Chicago meeting, has been as good as if the companies had taken the average cross-section of all air pilots. This has been true except in the case of private pleasure pilots, in which case it is believed the poorer flyers are more ready to take insurance.

The committee reported it is too early to tell definitely about experience on passengers on licensed air lines operating on definite schedules on up-to-date routes. There were no recommendations made.

Generally it was found that the extra premium required for active flying was adequate where it was applied. It was a little difficult to tell definitely because some companies did not adhere strictly to the recommended scale of rating up these risks.

Makeup of Committee

The committee consisted of J. E. Hoskins, assistant actuary Travelers, chairman; H. R. Bassford, assistant actuary Metropolitan, and Valentine Howell, associate actuary Prudential. It was reported there has been little change in the situation since last year. The safest kind of flying still is the scheduled type over licensed lines from airport to airport. Private pleasure flying is acceptable under some conditions but is the worst class when the pilot does not adhere to accepted practices. Commercial and military flying show good experience.

One thing emphasized by the committee is that better insurance experience results in the case of pilots with long flying experience, there being almost a direct proportion. Pilots with records of recent accidents or serious violations of air rules show up poorly.

An interesting point covered is that no group of pilots has been found with better than average experience, except that air-hours of exposure appear to be a definite index as to risk. The less time a pilot actually spends in the air the lower, apparently, is the risk. This is practically the only feature, the committee stated, which is making for lower mortality.

The great bulk of the claims appears to be coming from persons who apparently had no air hazard on applying for the insurance. The per hours of flight hazard appears to be about the same as a year ago.

Mortality from Suicides Is Easing Off, Actuaries Find

Suicides, which reached a peak in 1932 and presented one of the gravest problems for companies, have dropped off considerably, it was reported at the joint fall meeting of the Actuarial Society of America and the American Institute of Actuaries in Chicago. Suicide morbidity is not back to normal, it was said, but is well on the way.

J. A. Christman, Metropolitan, reported suicides had taken a distinct drop in that company. J. R. Larus, Phoenix Mutual, said that suicides show a tendency to return to the old level. The number of cases has not changed much but the amounts are considerably lower. F. B. Mead, vice-president and actuary Lincoln National and chairman of the Institute, discussed the subject, telling of several prominent cases involving large amounts.

Stevenson's "Living Trusts—Including Life Insurance Trusts," is recommended for "C. L. U." study and can be obtained from The National Underwriter. \$3.75.

Long Term Planning Needed in Agency Work, Kenagy Says

"JUMPING" PLAN CONDEMNED

Bureau Official Urges Revision of Methods on Theory Present Conditions Will Be Permanent

Thorough-going planning and organization of agency department activities plus more forceful leadership on the part of agency executives are necessary today, according to H. G. Kenagy, assistant manager Sales Research Bureau, in addressing the meeting of the Life Agency Officers in Chicago.

On the theory that present conditions are likely to be more or less permanent, the present organization, present sales methods, policies and plans should be undergoing fundamental revision, he said. The loosely organized, loosely supervised distribution machinery should be abandoned. The success of a company cannot be left to the personal ambitions, prejudices, pet ideas and personalities of individuals. The "jumping plan" of agency department management must be abandoned. Long term plans must be laid out, determined in relation to company objective. There should be continuous efficient movement toward a selected goal.

Objectives Are Cited

He cited the objectives of a certain company. One is to develop only those agencies whose managers have proved their ability in organization work. Another is to decrease agents' ledger balances substantially. Others: To improve the quality of business produced, to increase the productive capacity of the agency force, to establish a definite training plan and to decrease the number of premium collection offices.

The first step in laying out a plan is to analyze past results, to discover trends and uncover weaknesses. An analysis of man-power and production is helpful.

Mr. Kenagy presented some suggestive headings to be considered in connection with the principal activities to be planned. They included: Where will replacements be made and when? Who is responsible for making each change? What must be done to secure the new appointees? What agencies will be closed, and how? Who will do the work? When? What new agencies will be opened? When? What is the plan for each? Who is responsible?

Other suggestive questions are: What campaigns shall be held? What is the date and duration of each? Who is responsible? When must plans be ready? How much will be spent? How will these campaigns be coordinated with other activities? Then consideration should be given to training activities, publicity program, development of new tools for managers and agents, introduction of new policy contracts, conservation activities, cooperation to be given other home office departments, assistance in cooperation to be secured from other departments, conventions and meetings, departmental personnel changes, research projects to be taken, follow-up program to check results against plans.

It is not surprising that managers and agents operate on a planless and careless basis so long as the agency executives themselves exhibit these characteristics. Managers are much like children, he said; they are great imitators.

General American in California

The General American Life of St. Louis has been granted a California license to write life, accident and health. L. E. Diederichsen of Los Angeles is named as general agent for the state.

Hull Tells Problems That Agency Men Are Tackling

MILWAUKEE, Oct. 26.—The following statement was made this evening by Roger B. Hull, managing director National Association of Life Underwriters, before a meeting of the General Agents & Managers Association of this city:

"I wonder if you fully appreciate what is being done in your behalf and in behalf of the field forces under you, by the Association of Life Agency Officers and the Life Insurance Sales Research Bureau. I have been spending the last three days in attendance upon the annual meetings of those two organizations in Chicago. It was really amazing to me to see the devoted and sacrificial service which is being poured into this institution of ours by the agency officers of your companies.

"I shall not try even to suggest to you the problems which were discussed there, nor their solutions. You and I know that there are problems today confronting the agency leaders of life insurance, which are more serious and more disturbing than any which have ever been faced in this business. My message to you is, nevertheless, one of love and optimism. The men at the head of the agency departments of your companies are keenly alert to the seriousness of the situation. They are not without a constructive and resourceful program for meeting it. Whether you believe it or not, they are intensely sympathetic toward the difficulties which you are facing. They will find the way out, and life insurance will go on, during these coming months to fulfill its glorious trusteeship."

Agency Training Plan of National Fidelity Told

The agency training plan of the National Fidelity Life of Kansas City was outlined by Ralph Rice, Jr., in his address before the meeting of the Life Agency Officers in Chicago. In 1930, the company concluded its turn over of agents was too high, its territory was not sufficiently centralized, contacts between home office and field were too infrequent, and the cost of acquiring new business was too high.

The company proceeded to withdraw from five states and cancel 75 percent of its agency contracts and proceeded to concentrate on building a permanent organization.

Home office training schools were established and three schools were held each year. The men who were to go through the schools were carefully selected, they were given instruction in practical, fundamental procedures and in the evening during the school term each man was given personal supervision and an opportunity to study. Each school lasted two weeks.

Six Weeks' Quota

After returning home, the new men are required to report daily to the home office for six weeks. During that time the minimum goal is \$15,000, which entitles a man to a diploma.

The average cost for putting a man through the schools is \$64, covering transportation, board and lodging. None of the men is financed. If a man fails to make good during his first year, one-half of the school expense is charged to the general agent.

If, within the first two or three months after the training, a man does not begin to make good, he is checked out. By the end of the first year in the field, the company's salvage is between 50 to 65 percent of the men. In 1933, men who have gone through the schools have accounted for 62 percent of the company's new business and the group comprises 33 percent of the contracts now in force.

Financial Supervision Is Commended to Agency Men

BRUTE STRENGTH NOT ENOUGH

Morrison and Davies Give Their Ideas as to New Technique at Chicago Meeting

Cost accounting and financial supervision of agencies constitute the indicated technique today as a substitute for brute strength in selling, according to L. S. Morrison of the Life Insurance Sales Research Bureau, who addressed the joint meeting of that bureau and the Life Agency Officers in Chicago. The old system of driving for more production, more agents and more pressure is ineffective under present conditions, he said. Profit does not follow automatically upon the heels of reasonably intelligent activity.

The new plan is to determine the financial result desired and then determine what form or amount of activity will produce that result. Imposing high production quotas upon agencies, without first analyzing the financial picture, was condemned.

Emphasis in the past has been placed on the organizing and salesmanship ability of the general agent. Today the emphasis should be put on his ability for business management.

Accounting Supplies Facts

Cost accounting, according to Mr. Morrison, supplies facts and the exact knowledge which financial supervision translates into terms of agency activity.

Mr. Morrison said he was not speaking of such factors as reducing office rent, eliminating clerks and reducing telephone expense. The real savings, he said, lie deeper. They lie in a sound plan of compensation for managers and agents, application of the branch office or general agency plan to the particular situation, intelligent surveys to determine whether to develop new territory, adjustment of quota to the ability of the agency manager, preventing agency managers from exceeding the optimum size of agencies, proper weighing of new plans.

Those who formulate and direct the larger aspects of company policy must be open-minded and ready to change that policy if an unbiased study of the facts indicates a change is necessary, he said.

Careful Selection Needed

The man to carry on the financial supervision should be carefully selected. He must have a fondness for figures, a knowledge of agency accounting and must understand the theory and practice of agency operation. He should be analytical and constructive, have imagination to translate facts into terms of agency activity. He should be able to inspire confidence.

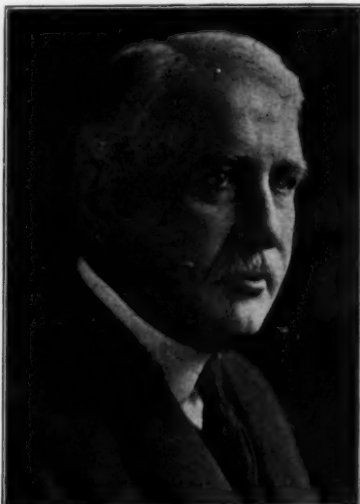
Periodical financial statements should be made. That will permit classification of an agency and indicate corrective action. Then more detailed analyses can be made that will lead to a better understanding of field problems.

A greater attempt should be made to clear the way and remove obstacles so that the desired result may happen more easily and more naturally.

Budgetary control of agency operations is necessary if more insurance is to be sold for less money to people with decreased funds with which to pay for insurance, it was argued by G. Fay Davies, assistant general manager and secretary Northern Life of Canada. The average agency man, he said, is not cost-conscious and does not believe in budgets. He feels that the expense factor is relatively unimportant; that there is such a wide margin in mortality savings and excess interest earnings that the expense item is well covered.

Another popular belief among the agency men is that the actuary can

Will Preside



FRED A. HOWLAND

President F. A. Howland of the National Life of Vermont will be the chairman of the annual convention of the Association of Life Insurance Presidents in New York City Dec. 7-8. Mr. Howland is a Dartmouth man, being a native of New Hampshire. He practiced law at Montpelier and served for a term as clerk in the Vermont house of representatives. He became state's attorney of Washington county and was secretary of state for Vermont for two years. He is a trustee of Dartmouth. He became counsel of the National Life in 1903 and was elected vice-president in 1909. In 1916 he became president. He is one of the outstanding life insurance executives of the country.

allow a wide margin for expense in making rates and yet insurance may be sold at a reasonable cost. Agency men have been over-optimistic and the conservatism of actuaries has not been permitted to operate with sufficient effectiveness as an antidote.

Revamping Is Essential

The operations of the agency department must be recast in the light of new conditions, with loans against the large portion of policies, with many policyholders having ceased to pay cash and with many having surrendered. He sandwiched in figures showing the percentage of national income which was paid out for life premiums in certain years.

In 1909 the percentage was 1.9 percent; 1914, 2 percent; 1919, 1.8 percent; 1924, 2.8 percent; 1928, 3.5 percent; 1929, 3.9 percent; 1930, 5 percent; 1931, 6.8 percent; 1932, 8.5 percent. The question is what the tendency will be in the future; whether the companies will strive to cause the public to invest 8 percent of its income in premiums or whether such a policy will be ineffective and companies must wait for natural adjustment to a lower level.

Cost of Business Is Vital

The problem facing the companies is how much to pay for business. The old theory that a company must pay what is necessary to get it is not the answer. The questions must be asked whether the company wants it at that price and whether this is the proper time and place to go after it and whether present methods should be used.

The companies need new business desperately to compensate for terminations but on the other hand they need low cost at a time when low cost is difficult to attain. An agency department cannot be maintained on a sound basis without a budget or its equivalent, he concluded.

Announce Central Theme of Life Presidents Gathering

HOWLAND TO BE CHAIRMAN

Chief Topic Is Announced as "Resources and Resourcefulness—America's Great Reserves"

NEW YORK, Oct. 26.—President Fred A. Howland of the National Life of Montpelier, Vt., will be the chairman of the annual convention of the Association of Life Insurance Presidents at the Waldorf-Astoria here Dec. 7-8.

"Resources and Resourcefulness—America's Great Reserves" will be the theme of the meeting. Leaders in a number of important spheres will join the life executives in discussing various aspects of this subject.

The official announcement says:

"A spirit of confidence in American character and American principles pervades the preparation for the approaching convention. Advances in civilization are made through periods of hardship as well as during periods of prosperity, as evidenced after each major and minor depression of the past. Today, as in the time of our forefathers, adversity should prove a character builder, a balancing medium and a stimulus to overcome difficulties.

"Without minimizing the distress of recent years, it is clear that fundamental factors retain their underlying importance and must be considered in any survey of current affairs. In harmony with this thought, the program for our convention is being planned on the basis of confidence in America's assets—material and human. The wealth of this equipment suggests the theme for the meeting: 'Resources and Resourcefulness—America's Great Reserves.'

"The importance of America's material resources is unquestioned. Human genius to employ these resources is undiminished. American resourcefulness is reflected in a high degree by the continent's development. Natural resources—fields, forests, mines and waterways—have been supplemented by transportation systems, power units, communication lines and industrial plants. Institutions such as education, government, banking, journalism, law and insurance are salient units of America's present-day reserves. Representing a wide range of activities, leaders from various fields and sections will dwell upon different aspects of our central theme."

New Rules Are Needed for Liquor Risks: Moyer

One of the highly important subjects taken up at the fall joint meeting of the Actuarial Society of America and the American Institute of Actuaries in Chicago was the possible effect of repeal of the 18th amendment. The discussion was started off by R. E. Moyer, assistant actuary General American. He said conditions after repeal will be different. It will not be satisfactory merely to revive the old pre-prohibition rules and formulas governing use of intoxicants. He said moral or mental hazards will be encountered. The proximity of liquor will result in many policyholders consuming too much.

It is too much to expect that legalizing of the sale of liquor will eliminate the illegal liquor immediately. One result of stabilizing the situation will be that much better and more dependable information regarding habits possibly will be obtained. He said it will be necessary to study the subject intensively. In all probability hard and fast rules cannot be laid down for some time until the type of federal administration of the new liquor regulations is determined, after which underwriting rules may be modified as the situation develops.

Prosperity Hinges on Sound Money Policy, Thomas Says

VALUE OF FUTURE DOLLARS

National Life Official Warns Against Financial Agencies Trespassing on Each Other's Fields

"Nothing would more speed the return of prosperity than a clear-cut declaration from federal authorities that we shall have no printing-press money. You can not build sound business on unsound dollars," Dr. John M. Thomas, vice-president National Life of Vermont, declared in an address at the convention of Vermont building and loan associations at Brattleboro.

"Business," he said, "is investment in merchandise, raw material, or labor with the exception of compensation for service in their use. Such investment will not be made if there is no reasonable prospect of such compensation because of uncertainty of the value of future dollars.

"I would like to hear a straightforward, unequivocal declaration from every candidate for federal office in Vermont that he will stand against inflation of the currency and in favor of return to the gold standard at the earliest possible moment; and further that he will support the position taken by the President at the American Legion convention in favor of generous support of veterans with war-connected disabilities and those only.

"We need all the financial agencies now established—commercial banks, trust companies, savings-banks, building and loan associations, investment bankers, stock and bond and commodity exchanges, and life insurance companies. It would be well if each would confine itself to its proper function and not trespass on the fields of others. Criticism of one by the other does only harm. We will gain more from united effort to build up the general confidence than from any possible success in stealing each other's clients.

"In my judgment the public expects all institutions at this time to be conservative in the matter of dividends. Interest is in security rather than profits. It is no time to attempt to steal a march on the other fellow by payment of larger dividends than prudence warrants. Such a policy will only prove a boomerang."

Elect Stedman and Hill on Board of American College

W. P. Stedman of the National of Vermont at Baltimore, immediate past president of the National Chapter of C. L. U., and Grant L. Hill, director of agencies for the Northwestern Mutual and president last year of the New York C. L. U. chapter, were elected directors of the American College of Life Underwriters at a meeting in Chicago. There are a number of other C. L. U.'s on the board. The by-laws of the American College recently were changed in line with a suggestion made by G. S. Brown, Penn Mutual, Chicago, past president of the C. L. U., so that the president of the national chapter is ex-officio a member of the American College board.

Life Underwriters Set Date for Convention

The officers and trustees of the National Association of Life Underwriters have set the date for the 1934 convention at Milwaukee as the week of Sept. 24.

Missouri State Reinsurance Approved by Supreme Court

GENERAL AMERICAN ACTIVE

Oklahoma Situation Cleared Up—Commissioner Mitchell of California Protests to Commissioner O'Malley

ST. LOUIS, Oct. 26.—The Missouri supreme court has denied the application for a writ of certiorari filed on behalf of six policyholders who sought to have the highest court in the state review and set aside the sale of the Missouri State Life's assets to the General American Life by Superintendent O'Malley.

The Oklahoma ancillary receivership involving the Oklahoma assets of the Missouri State Life has been vacated under an order issued by District Judge Thomas Lyons at Tulsa. The court acted on a petition filed by Superintendent O'Malley of Missouri. The court held that the receivership had been improperly obtained. The plaintiffs in the action were some policyholders of the Missouri State Life who reside in Tulsa.

Under a supplemental order of the court Commissioner Jess G. Read of Oklahoma was given custody of the Oklahoma assets of the Missouri State Life until such time as he may decide to turn them back to Superintendent O'Malley.

Indiana Arguments Heard

Arguments were heard by the Indiana supreme court on a petition for an injunction to restrain the Indiana ancillary receivers from taking any further action on the grounds that proper appeal had been taken from the order of court appointing such receivers. A ruling from the high court on the injunction petition is anticipated at an early date.

Commissioner Mitchell of California has protested to Commissioner O'Malley of Missouri against certain provisions in the contract by which the General American Life took over the Missouri State insurance. His criticisms include objections that the lien on policies will seriously injure endowments maturing while it is in existence; that stockholders in the old company are unduly favored in the application of net earnings after the lien has expired, and that the contract gives the company a leverage for building up a large agency plant without much expense. He regards as idle the threat that liens will be increased where states withhold assets of the old company.

General American Active

In undertaking to conserve as much of the Missouri State Life business as possible, the General American Life, the successor company, is furnishing its agency force with plenty of ammunition. These arguments are being presented in the form of letters, which may be signed by managers and agents and sent to policyholders. The first argument is that the General American Life is the only insurance company that is valued on present day market values. Most of the policyholders, another argument goes, are little, if at all affected by the liens, especially those who carry accident and health contracts, policies that already have a maximum loan, short term policies, policies that have no cash value and group policyholders.

"Suppose," one of the arguments reads, "you did have a book lien of 50 percent of the cash value. The real lien is only the 5 percent interest which is charged against this book lien. Death values are paid in full and we already have paid a great number of them, less this 5 percent interest charge, in case you have not paid it. It is planned to gradually lift the book lien, clearing up the entire amount in five or six years.

The 5 percent interest charge is then refunded to you at 5 percent compound interest. In other words, you are now insured in a company whose balance sheet is based on market values (no amortized or convention valuations) and the transfer from the old company to the new is not costing you a single dime. All new policies issued by the General American Life will be registered policies and you know what that means as to safety."

Talbot on Coast Trip

Walter LeMar Talbot, president of the Fidelity Mutual Life, is on a Pacific Coast trip and will be the guest of the Spokane agency next week.

To Lift Wisconsin Moratorium

Commissioner Mortensen of Wisconsin has rescinded his moratorium order issued April 20, to go into effect Nov. 25.

The additional 30 days' grace on premiums giving 60 days instead of 30 after the premiums are due, for their payment is also nullified.

The commissioner believes that times have so improved that 60 days grace on premium payments is no longer necessary.

Report Is Made on Effort to Cut Twisting Practice

FRANK L. JONES GIVES TALK

Head of Committee Comments on Progress That Has Been Made in Cooperative Effort

Frank L. Jones, vice-president of the Equitable Life of New York, reported to the meeting of the Life Agency Officers in Chicago as chairman of the committee on replacement. During the year he said that 28 additional companies have signed the agreement and there have been no withdrawals. The total number in the group is now 83.

There has been increased effectiveness of company and inter-company supervision, including the keeping of records of cases in jeopardy. There has been an increasing interest, observation and regulation by insurance departments. Life insurance companies, publishers and better business bureaus have prepared and distributed many anti-twisting pamphlets. There has been the whole-hearted support of the insurance

periodicals and the cooperation of the National Association of Life Underwriters has been obtained.

Mr. Jones recited some of the typical experiences given by companies in answer to a recent questionnaire, in which the companies were asked to give records of the percentage of business they salvaged from cases in jeopardy. Some of the experiences that were cited were impressive.

During the year, he said, many individual cases were brought to the attention of the insurance departments which were helpful in straightening out violations of the law. During the year, new anti-twisting laws have been enacted in Illinois, Montana, Washington and Utah. Nearly all companies have supplied their agents and policyholders with articles on the evil of replacement.

Mr. Jones said several companies favor adoption of a new commission rule with reference to replaced business and others suggest that the name of the soliciting agent be furnished in all cases of substitution. A letter will be sent to the signatory companies soon to determine just how many will be interested in these suggestions. He said in Canada a joint committee was appointed to consider the possibilities of an agreement not to pay commissions on replaced business.

1933

will go down in the history of
this company as marking the
inauguration of our

"LIFE-TIME" PLAN
of Agency organization and
remuneration.

This plan offers unusual
advantages to the consistent
and persistent producer.

For details write

The Federal Reserve Life Insurance Company

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Agency Development Costs Are Discussed by Linton

INVESTMENT IN MAN POWER

Greater Efficiency in Agency Department Demanded in Time of Sales Difficulties

Expenditures for agency development constitute a major investment and some of the principles which guide the purchase of securities may well be adapted in the field of man power investment. A comparison of investments in securities and investments in men was made by M. A. Linton, president Provident Mutual, in delivering the opening address in the meeting of Life Agency Officers in Chicago.

The character and attitude of the agent has an important bearing on the financial well-being of a company because poor agents are likely to load a company with losses for years ahead just as in making portfolio investments, selection of agents should be made from the viewpoint of security of principle and ability of sustained yield.

Greater Efficiency Demanded

The home office, he said, must take a more detailed interest in agency management. There is a demand for greater efficiency in the agency department, in view of the fact that today acquisition cost is bearing heavily on each unit produced.

Education and appeal to the sense of fair play, according to Mr. Linton, are necessary to overcome the widespread practice of substituting new insurance for policies against which loans have been made. Most agents, he said, desire to do the right thing when they know what the right thing is. It is important therefore to show to the agent how the poli-

cyholder loses when he is induced to shift his insurance at the attained age for the net amount at risk.

The problem of selling insurance at all today in a difficult market with only the appeal of straight life insurance is perplexing. In the past when the market responded more readily the agency executives felt they needed such frills as disability. Today the response is at a low ebb, the frills cannot be offered, net cost is increasing because of the functioning of economic law, and surrender values are being decreased.

Mr. Linton predicted in the future the ascendancy of the agency department will be less pronounced and the conservative viewpoint of the actuary will be more likely to prevail.

The favorable influence is that the public is becoming more and more impressed with the magnificent record of life insurance as a whole. They know it is the strongest factor in the financial picture.

Insurance company failures, he said, have been due to inefficiency, mismanagement and failure to follow recognized practices. Supervision, he said, can never take the place of management.

Analyzes Roosevelt's Address

Mr. Linton analyzed President Roosevelt's radio address of the evening before. He said it indicated a five-point program: To raise the price level without letting the movement get out of hand; to create a better adjustment between industrial and agricultural prices through the agricultural adjustment act; to increase the industrial consuming power through the NRA without running ahead of the purchasing power of the public; to decrease the gold content of the dollar, and to maintain the purchasing power of money.

Following such a positive program, he contended, is less risky than a policy of laissez faire. Powerful political groups, representing an impatient part of the public, are advocating fiat money inflation, which he contended is a men-

Northwestern Mutual Cuts Dividend Scale 25 Percent

INTEREST RATE 4.6 PERCENT

New Manual Shows Illustrations Based on Actual Policy Experience Rather Than Estimates

The Northwestern Mutual is issuing a new 1934 dividend scale which shows a reduction of 25 percent from the 1933 scale. The scale adopted depends upon and is varied periodically according to changes in general business conditions as they affect mortality rates, expenses, taxes and the company's investments and investment income.

Although some other life companies have been making more or less substantial reductions of dividend scales during the last two or three years, the Northwestern Mutual continued the average per \$1,000 of 1929 at \$10.74 for two years, increased it to \$10.76 for 1931-1932 and showed only a slight reduction of about 5 percent for 1933 at \$10.23.

For 1903 to 1929 the trend of dividend apportionments was generally upwards and especially so during the period of business activity following 1922. Even during the depression years 1930-1932

acc to sound recovery and would seriously damage life insurance and other conservative investments. Therefore he urged life insurance men to support the efforts of the President to get out of the trough of the depression.

Mr. Linton urged that each company regard the Research Bureau as a department of the company. The greatest field of usefulness for the bureau, he said, is to develop efficient sales consultants rather than to publish printed material.

the company's scale was continued on the 1929 basis. Although most of the leading companies made substantial reductions in 1932 and 1933 the Northwestern's dividends were continued during 1933 at 95 percent of the 1929-1932 scale.

A comparison of the estimated average dividend per \$1,000 under the 1934 scale and the average dividends paid under the several recent scales during the first year the scale was in effect is: 1922, \$8.08; 1924, \$9.48; 1926, \$10.12; 1929, \$10.74; 1931, \$10.76; 1933, \$10.23; 1934, estimated \$7.67.

"During the depression years 1929-1932 when many policyholders found it difficult to pay their premiums the Northwestern Mutual continued the increased scale of 1929," it was pointed out by Percy H. Evans, vice-president and actuary. "The long continuance of the depression suggested a slight reduction of about 5 percent for 1933 and prudence indicates the advisability of a larger reduction of 25 percent for 1934."

Vice-President Evans Comments

"Two important points to be kept in mind are, first, that by continuing the allotment of large dividends during 1929 to 1932 with only a slight adjustment in 1933 the company carried its policyholders through the worst of the depression on the 1929 basis. The second point is that if the improvement in business conditions which started in 1933 continues during 1934, the adjustment in the dividend scale will be less burdensome than otherwise and if the improvement is such that the reduction turns out to have been unnecessary the surplus will remain in the general contingency fund subject to distribution at a later date. The rate of interest on funds retained by the company under agreement has been reduced from 4.8 percent to 4.6 percent."

A new dividend manual revised for use from and after date for illustration purposes, is a departure from the prevailing practice of basing illustrations

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BOSTON, MASSACHUSETTS

Rated "A" EXCELLENT by Best's

ONE OF THE MOST INTERESTING EVENTS IN the field of non-cancellable activity is the recent merger of the Income Indemnity with the Massachusetts Indemnity, both of Boston.

On May 4th of this year the Massachusetts Insurance Department officially approved the plan whereby the Massachusetts Indemnity Insurance Company, one of the oldest and strongest of the disability companies, reinsured the entire business of the Income Indemnity Insurance Company. With total assets now approximating seven hundred thousand dollars, surplus of over three hundred and fifty thousand dollars and a total premium income of close to eight hundred thousand dollars, the Massachusetts Indemnity Insurance Company today stands as a striking illustration of a conservatively well managed disability company, with a ratio of assets of two to one and a surplus of over one hundred percent of total liabilities.

The policy contracts of the Massachusetts Indemnity are headed by their non-cancellable life indemnity policy issued on an incontestable basis, thus placing them on the same plane of permanence and stability as life insurance. These policies are renewable to age sixty, provide hospital coverage or nurse's benefits from the first day with a non-disabling medical reimbursement feature under the accident provision of the policy. A complete line of other commercial forms both cancellable and non-cancellable are offered to facilitate and complete the portfolio of the man who appreciates disability coverage as essential to a complete scope of coverage.

Qualified producers are invited to communicate with our Director of Agencies.

on the dividend scale of a single year with an assumption that the current scale will continue throughout the life of the policy. The new manual is based on actual policy or case histories covering the past 25 years.

New Basis of Presentation

Where there exists no actual policy presently in force of the identical description a tabulation is given exactly as it would have appeared under an actual policy. These histories are given in pairs, one illustrating cash dividends and a corresponding history illustrating dividend additions, for each plan at quinquennial ages. It is believed that illustrations based on the records of actual policies in force during the past quarter century with its history of economic, political and social disturbances should and will carry more weight than the practice of basing illustrations on the formula of a single year.

The 1934 dividends on the more popular forms are:

Ordinary Life					
Age	1	5	10	15	20
20	\$ 4.75	\$ 5.13	\$ 5.69	\$ 6.34	\$ 6.97
21	4.79	5.19	5.77	6.43	7.07
22	4.85	5.27	5.87	6.53	7.19
23	4.90	5.33	5.96	6.62	7.30
24	4.96	5.41	6.07	6.72	7.42
25	5.03	5.50	6.17	6.83	7.54
26	5.09	5.58	6.26	6.94	7.66
27	5.15	5.66	6.35	7.04	7.79
28	5.22	5.76	6.44	7.15	7.91
29	5.30	5.86	6.54	7.27	8.05
30	5.38	5.96	6.64	7.39	8.20
31	5.46	6.04	6.75	7.51	8.36
32	5.56	6.13	6.86	7.64	8.52
33	5.66	6.22	6.97	7.77	8.70
34	5.75	6.32	7.08	7.91	8.88
35	5.83	6.41	7.19	8.06	9.07
36	5.90	6.51	7.31	8.22	9.27
37	5.99	6.62	7.45	8.39	9.50
38	6.08	6.72	7.58	8.57	9.73
39	6.17	6.83	7.72	8.76	9.98
40	6.27	6.95	7.87	8.95	10.25
41	6.36	7.07	8.04	9.17	10.53
42	6.47	7.19	8.21	9.40	10.82
43	6.58	7.33	8.40	9.65	11.15
44	6.68	7.46	8.59	9.92	11.48
45	6.80	7.62	8.80	10.21	11.84
46	6.93	7.79	9.03	10.52	12.21
47	7.07	7.97	9.28	10.85	12.61
48	7.20	8.17	9.56	11.21	13.05
49	7.36	8.38	9.84	11.59	13.49
50	7.54	8.60	10.17	11.99	13.98
51	7.72	8.85	10.52	12.41	14.51
52	7.93	9.12	10.88	12.86	15.06
53	8.15	9.42	11.30	13.34	15.62
54	8.38	9.74	11.72	13.88	16.22
55	8.65	10.10	12.21	14.45	16.83
56	8.95	10.51	12.67	15.08	17.47
57	9.28	10.92	13.20	15.74	18.16
58	9.63	11.40	13.78	16.41	18.85
59	10.04	11.90	14.43	17.14	19.62
60	10.49	12.45	15.11	17.90	20.39
61	10.97	13.04	15.87	18.68	21.29
62	11.52	13.67	16.68	19.55	22.19
63	12.09	14.38	17.51	20.42	23.16
64	12.74	15.16	18.42	21.39	24.11
65	13.43	16.02	19.38	22.39	25.18

20-Pay Life					
Age	1	5	10	15	20
20	\$ 5.15	\$ 5.91	\$ 7.02	\$ 8.31	\$ 9.72
21	5.21	5.99	7.12	8.42	9.85
22	5.26	6.05	7.21	8.51	9.96
23	5.32	6.13	7.31	8.61	10.09
24	5.37	6.20	7.41	8.72	10.21
25	5.43	6.29	7.51	8.82	10.34
26	5.50	6.37	7.60	8.93	10.46
27	5.57	6.46	7.69	9.04	10.60
28	5.63	6.55	7.78	9.16	10.73
29	5.71	6.65	7.88	9.27	10.83
30	5.80	6.74	7.98	9.39	11.03
31	5.88	6.83	8.09	9.51	11.18
32	5.96	6.91	8.18	9.63	11.33
33	6.06	6.99	8.29	9.76	11.50
34	6.14	7.09	8.39	9.89	11.67
35	6.23	7.17	8.51	10.04	11.84
36	6.31	7.28	8.63	10.19	12.03
37	6.38	7.37	8.75	10.34	12.22
38	6.47	7.47	8.87	10.49	12.41
39	6.56	7.58	8.99	10.66	12.62
40	6.65	7.68	9.13	10.83	12.84
41	6.74	7.79	9.28	11.03	13.07
42	6.84	7.91	9.43	11.22	13.30
43	6.95	8.03	9.59	11.43	13.55
44	7.05	8.15	9.77	11.65	13.79
45	7.16	8.30	9.95	11.90	14.06
46	7.27	8.45	10.14	12.14	14.31
47	7.40	8.60	10.36	12.41	14.58
48	7.52	8.78	10.59	12.70	14.87
49	7.68	8.97	10.84	13.00	15.17
50	7.84	9.17	11.12	13.31	15.47
51	8.01	9.40	11.42	13.65	15.80
52	8.20	9.63	11.73	14.00	16.12
53	8.41	9.92	12.08	14.39	16.45
54	8.63	10.20	12.46	14.81	16.79
55	8.88	10.53	12.86	15.26	17.13
56	9.16	10.90	13.28	15.76	17.48
57	9.47	11.29	13.75	16.29	17.85
58	9.82	11.73	14.27	16.84	18.22
59	10.21	12.20	14.84	17.44	18.61
60	10.64	12.71	15.46	18.06	19.00

20-Year Endowment					
Age	1	5	10	15	20
20	\$ 5.98	\$ 7.51	\$ 9.73	\$ 12.32	\$ 15.31
21	6.02	7.55	9.77	12.35	15.33
22	6.05	7.58	9.80	12.36	15.35
23	6.09	7.63	9.85	12.38	15.36
24	6.14	7.67	9.89	12.41	15.38

September Volume 92% of Sales for Last Year

HARTFORD, Oct. 26.—New ordinary sales in September totaled 92 percent of the September, 1932 volume, according to the Life Insurance Sales Research Bureau. The general trend in life insurance sales has been upward in 1933. At the close of the first quarter the volume of new business was 74 percent of that for the same period last year, at the end of the six months this percentage had increased to 79 percent. At the close of the third quarter the volume is now equal to 84 percent of that of the nine months period last year.

In every section September figures showed a better experience than the nine months average which indicates that the trend is still upward. The figures are shown below:

	Sept., '33 Comp. to Sept., '32	Nine Mos., '33 Comp. to Nine Mos., '32
New England	94	91
Middle Atlantic	85	81
East North Central . .	96	84
West North Central . .	91	86
South Atlantic	100	83
East South Central . .	100	83
West South Central . .	95	86
Mountain	99	80
Pacific	91	81

Van Schaick Speaker at Insurance Institute Meet

NEW YORK, Oct. 26.—The Insurance Institute of America held its 25th anniversary conference and luncheon here, Superintendent Van Schaick of New York being a guest and being introduced by President J. V. Barry, who also is an official of the Life Extension Institute. Mr. Van Schaick commented on growth of interest in study of insurance. Another speaker was Dr. K. Fujimoto, professor of commerce, University of Tokio. The institute prize, life branch, for 1933, went to D. C. Swan, Jr., Boston.

President Barry advocated the joining of all insurance educational courses under one direction. He appeared with an arm in a sling, having tripped over a wire near his home and broken a bone.

Secretary Hardy reported membership was 1,122. All officers were reelected. The board of governors elected is: J. D. Craig, Metropolitan; B. M. Culver, president America Fore companies, New York; Henry Moir, president United States Life; E. P. Stover, secretary Security Fire; Benjamin Richards, Underwriter Service Association, Chicago; H. E. Feer, Corroon & Reynolds, New York, and O. E. Lane, president Fire Association.

End of Year					
Age	1	5	10	15	20
25	6.17	7.72	9.93	12.44	15.40
26	6.23	7.76	9.96	12.47	15.42
27	6.28	7.82	10.01	12.50	15.45
28	6.33	7.88	10.04	12.53	15.47
29	6.39	7.94	10.07	12.56	15.50
30	6.45	8.00	10.11	12.58	15.52
31	6.52	8.05	10.16	12.62	15.55
32	6.59	8.09	10.19	12.65	15.58
33	6.65	8.13	10.23	12.68	15.61
34	6.73	8.19	10.28	12.72	15.65
35	6.79	8.24	10.33	12.77	15.68
36	6.85	8.30	10.37	12.81	15.72
37	6.90	8.36	10.43	12.86	15.77
38	6.97	8.42	10.48	12.92	15.80
39	7.03	8.48	10.53	12.95	15.85
40	7.11	8.54	10.61	13.05	15.90
41	7.17	8.61	10.68	13.13	15.95
42	7.26	8.69	10.76	13.22	16.01
43	7.33	8.77	10.85	13.31	16.07
44	7.42	8.85	10.95	13.42	16.14
45	7.51	8.96	11.06	13.54	16.22
46	7.60	9.07	11.19	13.67	16.29
47	7.70	9.18	11.33	13.82	16.37
48	7.81	9.32	11.50	14.00	16.46
49	7.94	9.47	11.67	14.18	16.56
50	8.08	9.62	11.88	14.38	16.67
51	8.23	9.81	12.11	14.60	16.78
52	8.40	10.01	12.35	14.84	16.90
53	8.59	10.26	12.65	15.12	17.03
54	8.80	10.51	12.95	15.44	17.18
55	9.04	10.81	13.30	15.79	17.33
56	9.29	11.15	13.66	16.18	17.49
57	9.59	11.50	14.07	16.61	17.67
58	9.92	11.91	14.54	17.07	17.86
59	10.29	12.35	15.05	17.59	18.07
60	10.71	12.84	15.63	18.14	18.29

How they do it in Minnesota

It was a one day drive. An objective was set for the Agency force of one hundred thousand of business, something worth working for during these times. All business had to be written, dated, examined and sent in on the same day.

Thirty agents participated. Fifty-nine applications were presented. Business was written to the tune of one hundred and ninety-five thousand dollars.

The spirit displayed in Minnesota is typical of the courage with which production problems are being attacked in every state today. The result achieved is an earnest of the rewards that follow intelligent and intensive effort. Every policy issued is another stone built into the country's retaining wall of financial stability.

THE GREAT-WEST LIFE ASSURANCE COMPANY

HEAD OFFICE
WINNIPEG - CANADA

United States Agencies in Illinois, Michigan, Minnesota, North Dakota and Washington

Budgetary Control Is Leading Topic

(CONTINUED FROM PAGE 1)

man Canadian Life Agency Officers Association; J. A. Hawkins, manager of agencies Midland Mutual, and H. M. Holderness, vice-president Connecticut Mutual.

Research Bureau Directors

The new directors of the Life Insurance Sales Research Bureau, elected Tuesday are: Grant L. Hill, superintendent of agencies, Northwestern Mutual Life, to fill out the unexpired term of the late C. H. Parsons, whose place Mr. Hill took with the Northwestern Mutual; W. W. Jaeger, vice-president Bankers Life of Iowa; George H. Hunt, superintendent of agencies, Imperial Life of Canada; J. MacFarlane, Monarch Life of Winnipeg; F. B. Wilde, vice-president Connecticut General; and A. L. Dern, vice-president Lincoln National Life.

The Research Bureau directors named on the executive committee George L. Hunt, New England Mutual; W. W. Jaeger, Bankers Life of Iowa; M. A. Linton, Provident Mutual; H. W. Manning, Great-West Life, and E. B. Stevenson, Jr., National Life & Accident. There were 263 people registered for the joint meeting, representing 106 companies.

Linton Opens Convention

M. A. Linton, president Provident Mutual, was the presiding officer at the first session and opened the meeting with observations on insurance and national problems of the day. He performed in his capacity of chairman of the Research Bureau's executive committee. He made an interesting comparison between the investment in agents and in securities. He analyzed Roosevelt's program as a five-point objective and urged the support of life insurance interests.

The next feature of the program was a playlet, in which the conversion of an agency executive to the idea of budgetary control and of cooperation with other company departments was set forth. The actors received a big hand. The players were F. O. Lyter, assistant superintendent of agents Connecticut Mutual; James A. Griffin, agency manager, and John R. Larus, actuary Phoenix Mutual, and Philip Hewes, editor "Manager's Magazine."

Papers on Budget Control

Thereupon, the idea of budgetary control having been introduced in the form of a sugar coated pill, the conventioners settled back to hear two necessarily heavy papers on the subject. First was G. Fay Davies, who resigned recently from the Research Bureau staff to become assistant general manager and secretary Northern Life of Canada. An agency budget is vital, he said, in these days when the problem is to sell more insurance for less money to people whose capacity to buy is reduced.

Then F. P. Samford, vice-president and treasurer Liberty National of Birmingham, outlined a budgetary plan which his company is using. Figures each month are compared with the preceding months and with the estimate for the year.

The final speaker at the first session was John Marshall Holcombe, Jr., manager of the bureau. He told of many of the accomplishments of the bureau and outlined some of the agency problems. The audience gasped at his statement that in the last three years there has been terminated in the United States and Canada 38 billions of insurance.

L. J. Dougherty Presides

The Tuesday morning session was in charge of President L. J. Dougherty of the Guaranty Life of Iowa, in his capacity of chairman of the board of the Research Bureau. In accordance with a decision reached by the executive

committee the day before, Mr. Dougherty, in his opening address, made some observations on the question of life insurance failures, pointing out that because of the continuous nature of the life insurance contract and because liabilities are deferred there is much assurance that losses to policyholders will be minimized in the long run.

"It is true that in recent months there have been a few unfortunate incidents involving but a very small percent of the insurance in force, a few companies whose affairs have been placed in the hands of the authorities," he said. "When this happens it is news, dramatic sensational news, because it is so rare. It is as uncommon as the story of the man biting the dog. When 99 percent of the companies fulfill all obligations and maintain excellent conditions through the worst panic in history, it is commonplace, expected. Let one of them waver, and the front page has a story worthy of Ripley's attention."

Prescribed Solvency Test

"When that rare thing happens and an insurance company has been taken over by a department, or through court, it has not failed in the commercial sense of the word. What has happened? Simply this: With the low and soft market for securities, the company does not show the capacity to meet, at the moment, the prescribed test of solvency; a test which is more severe and requires greater margins of safety than any such test applied to any other business. It is the testing of a long-term business by the markets of the moment, presupposing almost a rigid market wherein values do not go up and down."

"Administration of the affairs of the few companies which have ceased business is a long term procedure, for policies mature at future dates. This delay in maturities is fortunate, for economic cycles bring values back to normal in the course of time. Death claims happily do not accumulate with or in proportion to difficulties."

Nominating Committee Report

"The public have full confidence in the legal reserve system. It is being demonstrated by the gains being made by the insurance in force; by the decline in number of applications for loans and surrenders, but let us bear in mind the bewildering transformation that has taken place in our industrial, economic and social life. This change has been both complete and acute. Let me sound the warning that unless we guard ourselves, bad insurance practices and evil methods may arise which will retard the present and future growth of our companies."

The custom has developed to inject humor into the report of the nominating committee. Therefore, G. H. Harris, Sun Life, as chairman of the committee, in delivering the report whimsically apologized for the selections.

The next speaker was L. S. Morrison of the bureau staff, who emphasized the importance of financial supervision of agencies by the home office.

Works Twice as Hard

H. M. Holderness, vice-president Connecticut Mutual, thereupon introduced R. W. Simpkin, agency assistant Connecticut Mutual, who outlined the cost accounting formula through which that company undertakes "to chart the general agents' seas." Mr. Holderness said the information is confidential and requested that reports not be made. Mr. Holderness said maintenance of the general agency system requires the supreme effort of the agency department. The Connecticut Mutual, in undertaking to develop the cost accounting formula, desired to handle the affairs of its general agencies in a confidential and sympathetic manner. The company is seeking to bring its general agencies closer to it by helping to "chart their seas."

The general agent, Mr. Holderness said, is working twice as hard to get half the business that he got in former days and working four times as hard in the service of old policyholders.

F. R. Gale, comptroller Continental American, with the aid of lantern slide charts, described some of the budgeting of agency income and expenditures, which his company has worked out. He emphasized that budgeting income is as important as budgeting expenses. Future income and future sales should be budgeted. Under a budget, the procedure is to determine what profit is desired, what amount of business is required to make that profit, and how much activity is needed to get the required amount of business. Budgeting, he said, is a constant incentive to develop more from the expense margin. The Continental American has always striven to increase the average size of the policy with the result its average is nearly twice as large as that of any company which does not take reinsurance.

Assumption Is Made

In budgeting for agencies, the Continental American assumes that a manager can put on seven good men a year. With that assumption, the company, he said, can determine the probable income of the agency. For instance a manager, putting on seven new men a year, at the end of 10 years should have a force of 75 men, producing \$2,262,000, the new premium income being \$67,882, and total premium income \$308,199.

Clerical routine in the agencies, he said, has been simplified, so that the saving in this direction amounts to 50 cents per thousand of insurance.

Although in easy times, he declared, profit followed any reasonable activity, in the next decade success won't be attained by waiting for better times, but by working for better methods.

Kenagy Urges Plan

H. G. Kenagy, assistant manager Research Bureau followed, with the recommendation that operations be planned well ahead, instead of engaging in "jumpy," emergency, trouble shooting work.

H. W. Manning, assistant general manager Great West Life of Winnipeg, told of a plan which his company launched so as more effectively to organize the field forces. Much responsibility has been delegated to the branch manager, so as to increase his scope, outlook and capability.

W. W. Jaeger, vice-president Bankers Life of Iowa, closed the session with a great plea for the old agent, for the old selling technique of presenting life insurance for family protection, and for the development of men rather than man power. After the analytical and technical speeches that had gone before, Mr. Jaeger's dynamic presentation warmed his audience.

Tuesday afternoon the meeting was broken up into five group sessions for round table discussion, only home office agency executives being permitted to attend. Supervisors were barred.

Col. Dunham Introduced

John A. Stevenson, home office general agent Penn Mutual, presided at the Wednesday session as vice chairman executive committee Agency Officers Association. After some preliminaries Commissioner Dunham of Connecticut, who was in the city on other business, was introduced and spoke briefly. He said the payment of excessive agency commissions must be stopped. He said he was informed one company is paying 95 percent.

Vice-President H. M. Holderness of the Connecticut Mutual reported as chairman of financial independence week April 16-22, 1933. Devotion of a week to the publicity and promotion of life insurance, he said, has proved a success. The designated week this year was one of distress. The bank moratorium was

Expense of the Chicago Convention Was \$2,002

Total disbursements by the Chicago committee for expenses of the annual convention of the National Association of Life Underwriters in that city amounted to \$2,002. T. F. Lawrence, who was general chairman of the Chicago committee, reported to the managers and general agents' section of the Chicago association at a luncheon Tuesday. This compared with disbursements of \$8,000 by the Toronto people at the 1930 convention, \$6,000 at Pittsburgh in 1931, and \$5,000 last year at San Francisco.

fresh in the minds of the public, whose attitude was critical and panicky, and restrictions had been imposed on life insurance cash values and loans. "On the other hand," he said, "the fundamental safety of the institution and its proved security as a means to financial independence gave to the country at large an added appreciation of its time honored value, renewed faith and courage in the hearts and minds of thousands of life insurance men and stimulated to action a work that has steadily gone forward, showing better results and greater public confidence each month since this turn of the tide."

Educational Movement Developed

Under the circumstances, the observance of the week this year developed into a movement almost entirely educational. It gave stimulus to hidden forces working for the interest of life insurance, creating over night a renewed realization of the power of united action and good will. It gave, he said, the opportunity of friendly gratuitous service in many branches of publicity and promotion.

Mr. Holderness expressed gratitude for the work of many agencies, including the Canadian committee, National Association of Life Underwriters, life advertisers, Dr. S. S. Huebner, Superintendent Van Schaick of New York, insurance commissioners and former chairmen of the committee.

H. E. North, second vice-president Metropolitan, outlined some of the plans for insurance week in 1934, he being chairman of the committee. This year, he said, the companies contributed little financially to the project, although the agents collectively spent \$40,000. Next year the companies will be asked to underwrite the movement. Although he didn't mention a specific figure, it is understood the goal is a \$100,000 contribution from the companies. Life insurance week will be March 26-31. The slogan will be the same as the one used this year, "Financial Independence Through Life Insurance."

Vote of Thanks

On motion of W. W. Jaeger, Bankers of Iowa, a vote of thanks was given to Mr. Holderness for his work. M. A. Linton, Provident Mutual, spoke enthusiastically of the plans which Mr. North outlined.

Frank L. Jones, vice-president Equitable of New York, thereupon delivered his report as chairman of the committee on replacements. His recommendation of a no commission rule on replacements was greeted by a burst of applause.

George L. Hunt, New England Mutual, then reported as chairman nominating committee to select three members of the executive committee Agency Officers Association.

The following speaker was R. H. Rice, Jr., National Fidelity, who outlined the training and other plans of his company.

D. Gordon Hunter, vice-president Phoenix Mutual, described the contest in which his company is engaged in an

effort to overcome the spirit of lethargy and indifference that has prevailed in the field in the last few months. The campaign is in the nature of warfare. The agents, including old men, have been impressed with the seriousness of affair and pep has been maintained. The first 24 days of October, production was 38 percent above the same period last year and he estimated efforts of new men are at least 50 percent greater.

Officers Not Up to Standard

Mr. Hunter said the agency officers command the largest army of outside salesmen in the world. He said the officers are not showing the degree of leadership commensurate with their responsibilities. An immense number of people are depending on the officers for human leadership. Therefore greater vision and mental stamina are needed. The officers must extend themselves to limits that they never conceived to be possible before.

An estimate, he said, should be made of the situation from the point of view of the mission to be performed, the enemy, supporting troops, plan and decision.

Keep Up Flow of New Business

The mission is to keep up a constant flow of new and profitable business, discharging thereby the responsibility to policyholders, home office associates and agents and their families. In other words the job is to be successful under present conditions.

The enemies are the competing uses for the dollar, automobiles, refrigerators, etc., and the spirit of lethargy that exists in the field.

The supporting troops consist of the great record of the institution of life insurance.

The plan to be used is the one which will carry out the mission the most quickly and most effectively. The decision must be for the agency officer to extend himself to limits that he never before believed possible.

The final speaker at the Wednesday morning session was John A. Stevenson, who touched on many of the problems that had been under consideration during the convention.

In the afternoon important addresses were delivered by J. A. Fulton, president Home Life of New York, and Guy C. Smith, sales manager Libby, McNeill & Libby.

Dougherty Sees Big Place for Insurance in Recovery

L. J. Dougherty, president Guaranty Life of Davenport, who presided at the Tuesday meeting of the Life Agency Officers and Sales Research Bureau, expressed the belief that life insurance will play an important part in economic and social recovery. The value of life insurance is now almost universally accepted, he said. The growth of the companies is largely in the hands of agency executives.

The selling of life insurance has become a profession in the highest and noblest sense of the word, Mr. Dougherty said. He predicted that one day the life insurance agent will rank with the lawyer, clergyman and doctor in the confidence of his community. He will be a leader in civic and commercial activities of his community.

Mr. Dougherty was chairman of the board of the Research Bureau. The labors of the bureau represent the efforts of larger companies, middle sized companies and smaller companies, he said. Cooperation was never so vital as today, he declared. It is important to know what to do, how to do it and have the will to do.

Mr. Dougherty mentioned the demand that has developed for unemployment insurance. This is an ill-conceived and dangerous proposal, he contended. He called upon life insurance men to support the NRA collectively and individually.

Snapshots of Agency Officers

J. B. Thompson, former insurance commissioner of Missouri, was greeted warmly by his new colleagues at the meeting of the Life Agency Officers and Sales Research Bureau in Chicago. He recently joined the agency department of the Kansas City Life.

The Minnesota Mutual had the largest representation at the meeting, many of the supervisors being brought to Chicago prior to the holding of a conference at St. Paul the latter part of this week. Those on hand were Vice-Presidents O. J. Lacy and H. J. Cummings, and Supervisors R. C. Lowe, San Antonio; A. H. Blanton, Columbia, S. C.; R. P. Cox, Los Angeles; E. J. Evans, Chicago, and Frank Keenan, Kansas City.

Manager John Marshall Holcombe, Jr., introduced to the agency officers a new member of the bureau staff, J. H. Wood, who has been supervisor for the John Hancock Mutual at Columbus, O. He will be assigned to research and consultation work.

The morning of the first day a program was not scheduled. This proved a good arrangement, for it gave an opportunity to the conventioners to get much gossiping and fraternizing accomplished before the launching of the formal program.

A luncheon was given by the Research Bureau to newspaper men Monday, K. R. Miller being in charge.

From the Ohio State Life came F. L. Barnes and W. V. Woolen.

M. B. Farr of the Saskatchewan Life claimed the prize for having traveled the greatest distance. He reported four inches of snow at home.

Headquarters were established by the Yeomen Mutual Life and many friends dropped up to fraternize. The greeters consisted of Vice-President P. A. Stark and Ward Senn, Secretary George Wall and V. M. Shewbert, assistant superintendent of agencies.

Seated in the second row during the opening session were two admiring wives, but not too filled with admiration to interfere with their knitting. They were Mrs. M. A. Linton, whose husband was the presiding officer, and Mrs. John

Marshall Holcombe, Jr., wife of the Bureau manager.

On Tuesday, L. J. Dougherty, the presiding officer, called on Roger B. Hull to bring greetings from the National Association of Life Underwriters, and on O. J. Arnold from the American Life Convention. Mr. Hull is managing director of the National association. Mr. Arnold is president of the Northwestern National Life.

M. A. Linton appointed on the nominating committee: G. H. Harris, Sun Life, chairman; P. H. Stark, Yeomen Mutual, and Oliver Thurman, Mutual Benefit.

News of the death of George L. Williams, vice-president of the Union Central Life, was communicated to the convention.

Along each side of the convention hall were impressive displays of publicity that was received on financial independence week and promotional material sent out by companies on the week.

The Sun Life of Canada was represented by G. H. Harris, manager field service bureau, J. S. Ireland and H. M. Moore, superintendents of agencies.

A cablegram of regret at being unable to attend was received from C. D. Devlin and V. R. Smith, both of the Confederation Life, who are in England. Mr. Devlin is the retiring chairman of the

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CONTINENTAL ASSURANCE

CHICAGO



CASUALTY COMPANIES

ILLINOIS

agency officers executive committee, and in that capacity would have presided the third day had he been present.

Frank L. Jones, vice-president Equitable of New York, was in Chicago for the fifth time in six weeks.

A dinner for Chicago agents of the Phoenix Mutual was held Tuesday evening. General Agent R. A. Judd brought his staff out to meet home office officials on hand, they being M. C. Terrill, J. A. Giffin and D. Gordon Hunter.

Oliver Thurman, Mutual Benefit, presented a memorial on the late C. H. Parsons, who was a director of the Research Bureau and superintendent of agents Northwestern Mutual.

J. M. Holcombe, Jr., gave the names of those who have outstanding records in attending the Agency Officers and Bureau meetings. Two members have attended 16 consecutive meetings, they being A. L. Dern, Lincoln National, and W. R. Smith, La Fayette; 12 meetings, L. J. Dougherty, Guaranty Life; 11 meetings, H. J. Cummings, Minnesota Mutual, A. C. Louette, Peoples Life, and H. E. Niles, Independent consultant.

Mr. Holcombe, in reading the names of members who have been promoted during the year, drew a laugh when he announced: "George Grogan, Federal Reserve Life, previously unmarried, now married."

The nominating committee to select new directors of the Agency Officers association consisted of G. L. Hunt, New England Mutual, chairman; H. E. Aldrich, Equitable of Iowa, and E. B. Stevenson, Jr., National Life Accident.

Herdman Hears Charges on Rebating by Omaha Agents

OMAHA, NEB., Oct. 26.—Commissioner Herdman held a two-day hearing on the charges of rebating and discrimination in the sales of policies filed by the Nebraska Life Agency Managers Association against the Occidental Life and eight of its agents. The case will be submitted on briefs, with a speedy decision promised. More than 150 insurance men attended. Testimony introduced by the complainants showed that a number of policyholders had not only paid no first year premium but were told specifically that none would be asked or collected. Two or three others testified to exchanging articles they had for policies, such as gasoline.

Charles White, general agent, said that since the first of January \$3,500,000 of insurance had been sold in Omaha, the first year's premiums on which were estimated at \$60,000. He said that agents were paid 80 percent of the first year's premium as commission, that he took 10 percent for overwriting and the remaining 10 percent belonged to the company. He said that in order to protect the company's financial interest he maintained a deposit, ranging from \$1,500 to \$2,500, which was made up of the proceeds of purchases by him of agents' renewals, paying 20 percent of the first year's commission therefor. A vice-president of the company said that it was without any information as to the practices of agents as testified to by complainant's witnesses. None of the accused agents took the stand.

State Life of Illinois Is Fighting Receivership

The officials of the State Life of Illinois, for which receivership has been applied by the attorney general, are fighting the petition, denying that it is solvent. Superior Judge Lindsay set the case on the calendar on call for hearing. R. M. Potts, former Illinois insurance superintendent, and E. R. Elliott, Chicago attorney, attack the constitutionality of the state's liquidation act and deny that the court has the authority to name the state liquidator as receiver. The state insurance department claims an impairment of \$103,953.

Actuaries Give Tip on Possible Action

(CONTINUED FROM PAGE 1)

Mr. Evans expressed hope that the case history basis of presenting dividends and net cost figures to the public will be generally adopted. He said there have been many confusing dividend illustrations given to the people.

MORTALITY DISCUSSED

Somewhat lower mortality was noted by several speakers. C. E. West, assistant actuary Provident Mutual, said that company's mortality in the first six months of this year was reduced two points. He considered mortality of primary importance this year.

J. A. Christman, Metropolitan, said the company's ordinary mortality in the first six months remained about the same as last year, but industrial was a little higher. Heart disease, cancer, and diabetes showed advance. Influenza death rate was higher than in any year since 1929.

J. R. Larus, Phoenix Mutual, gave the experience of 13 companies, mostly of the New England states. Five of these showed better mortality rates and eight worse rates. The average was an advance in mortality of approximately two points. He noted advance in mortality from circulatory and degenerative diseases.

Equitable's Results Given

W. L. Blackadar, assistant actuary Equitable of New York, said that company's ordinary mortality was about the same as in 1932, but the group mortality has been running 68 percent this year as against 74 percent in 1932. Mortality from typhoid fever showed a reduction as did Bright's diseases. Mortality from automobile accidents was practically doubled. There was enormous advance in mortality from heart cases.

One of the papers, by J. S. Elston, assistant actuary Travelers, on mortality experience under extended term and paid up provisions, gave figures indicating a final mortality experience of approximately 82 percent over a 17 year period. Mr. Elston said although this figure seemed high it included the war, 1918 influenza experience and higher mortality during the depression.

Medical impairment ratings are used very largely by companies which grant business on both standard and substandard plans, but to a less extent by companies limiting their transactions to the former. Arthur Hunter, vice-president New York Life, stated in his paper on this subject. He said ratings have tended to produce more uniformity in the action of companies and have caused many actuaries and medical directors to give more intensive study to individual impairments, especially where their inclination was to differ from findings of the joint committee of the Actuarial Society and American Institute. He found much more uniformity of action with regard to overweight than 20 years ago.

CONSIDER ANNUITIES

The all absorbing question of annuities was another subject discussed.

E. G. Fassel, assistant actuary Northwestern Mutual, noted that annuities arising as settlement of insurance policies involve no acquisition expense element nor premium tax, therefore can be figured at net rates. The mortality assumption need not be so severe on annuity options, he said, as there is an average favoring the companies, some policyholders electing to take the annuity and others not.

H. G. Walton, actuary Buffalo Mutual and formerly of the Indiana insur-

ance department, said it appears there will not be so strong selection against the company in the case of a beneficiary electing annuity options than an original annuitant. The latter has spent his money for the benefits.

High Mortality Experienced

H. W. Jones, Mutual Benefit, said there has been much comment on a trend toward higher mortality on beneficiaries under settlement options. A survey was made on 928 annuities with 90 deaths. There was found very definite selection resulting in 66 percent mortality based on the American annuitant's table.

H. L. Feay, New York insurance department, said if premiums are calculated with reduced interest rates the valuation of annuity reserves should be done proportionately. He said possibly insurance departments should give annually the reserve basis which should be used on annuities, subject to change because of experience. There might, he said, be some discussion on the question of putting old annuities on a higher reserve basis.

O. W. Perrin, associate actuary Penn Mutual, discussed annuity features of the family income policy. He said the convertible income form has replaced much term insurance in new business and displayed a better persistency.

J. B. Maclean, secretary Actuarial Society and associate actuary Mutual of New York, considers the family income form fundamentally objectionable, partly because it is especially susceptible to misunderstanding and misrepresentation.

VIEW AGENCY MATTERS

Many life companies under stress of depression conditions have carried their worth while general agencies financially, looking to the long pull in the case of offices which may have been hard hit during the last four years but offer possibilities of sound future growth. This appeared to be a consensus at the meeting.

W. J. Cameron, Home of New York, said his company had worked closely with the agencies and saved approximately 15 percent in agency expenses by careful budgeting. It was found that many companies and agencies were spending a great deal of money on "so-called supervisors." The Home Life's policy is to stand by general agents who are striving to survive the present times, but readjustments are being made in the cases of general agents who are licked.

Linton Gives Views

M. A. Linton, president Provident Mutual, said his company formerly gave an expense allowance based on paid first and second year premiums, the smaller agencies getting a larger proportion of allowance than the larger agencies. When the depression came it was apparent changes must be made. It did not seem fair to reduce the agencies' expense allowances so readjustments were made depending upon the intelligence, attitude and willingness of general agents in attacking their problems. He said there has been an 8 percent reduction in agency income in the first six months of 1933 as compared with 1932 but the agencies' net profits have been approximately the same.

Notes were read from A. T. Maclean, vice-president Massachusetts Mutual, who stated the general agent's major problem today is carrying on his business in force. Formerly in most company plans the new business element was an important factor. Reduction of new business has made necessary many changes. The old system has broken down. Companies must look to the future. He said that if the general

agent has proved his ability to get the business there is no need to become concerned over present results

TAKE UP REPLACEMENT

Replacement, or rewriting of old policies in the same company, remains one of the highly important issues of the time, the actuaries agreed. It is a problem requiring extended educational effort by companies among agents and possibly corrective measures.

E. W. Marshall, Provident Mutual, told of an experiment made by his company when the volume of replacements began greatly to rise. Last winter the agency records were analyzed, a great variance being found in rewriting practices of agencies and individual agents. In some cases a positive replacement fever appeared to have sprung up.

It was concluded that this was an individual problem requiring educational effort. There were many fallacies in agents' minds regarding the status of heavily loaned policies. Leaflets were distributed to agents explaining the facts, with excellent results. A definite peak in replacements had been observable, but this dropped off sharply after the campaign was initiated.

Comparative Figures Given

Mr. Marshall gave replacement figures based on a factor of 100 in the first quarter of 1932. With this as an index the figures were: Second quarter, 1932, 124; third quarter, 118; fourth quarter, 137; first quarter, 1933, 151; second quarter, 150; third quarter, 163. The educational effort was made after the second quarter this year.

E. M. McConney, actuary Bankers Life of Des Moines, told of a study of \$1,000,000 of recently lapsed business which the agents had been permitted to rewrite, saying that 70 percent of it did not enter the second policy year.

H. G. Hurd, actuary Fidelity Mutual, said that under any replacement plan where there is value remaining in the policy the only person profiting immediately from the change is the field man. The company has received many applications which would have used all value in the old policy to pay premiums on the new. A plan was tried unsuccessfully using annuity premium credits, a part of the old value being applied each year in part payment of the new premium.

Commissions Were Reduced

On such cases it finally was decided to pay the agents on such rewritten cases where all old value was to be used to pay new premiums, only 50 percent of regular commissions. Where the percentage of the agents' replacement business had been a substantial part of his total, corrective measures have been applied and in two cases the agents' contracts were canceled. Mr. Hurd said that unless something effective is done the problem will not cease even when better times are in prospect.

H. L. Feay, New York department, spoke of replacements in industrial business, saying they appeared to occur there more frequently than on ordinary even though no loans are made on industrial policies.

F. B. Mead, vice-president Lincoln National, told of an experiment in the home office city, Fort Wayne, Ind., where a personal survey of policyholders was made. Most of these were found satisfied, their only problem being one of paying the premium. The only ones dissatisfied, it developed, had been disturbed by misrepresentations, improper illustrations, etc.

President M. A. Linton, Provident Mutual, said in his company it was discovered replacement trouble was coming from a small proportion of agents. The criterion as to value of old policy always is net equities enjoyed by the policyholder. He urged wider dissemination of the effect of rewriting on policyholders.

Recognition of Conditions as Permanent Is Needed

HOLCOMBE IN CHICAGO TALK

Research Bureau Manager Addresses
Joint Meeting with Life
Agency Officers

John Marshall Holcombe, Jr., manager of the Sales Research Bureau, in addressing the joint meeting of the bureau and the Life Agency Officers in Chicago advised the adjustment of agency activities to present conditions on the theory that those conditions are destined to be more or less permanent. Operations should be built on the basis of contraction rather than expansion.

Mr. Holcombe reviewed facts and tendencies that have afflicted agency operations. There was the moratorium. Twisting has become more prevalent. With so much rewriting of impaired insurance, many agents are losing their ability to write new business. The cost of insurance has been increased. A theory that has gained ground is that the only way to keep up volume is by the wholesale hiring of new men. There has been a tremendous shrinkage of insurance in force. Mr. Holcombe estimated that in the last three years in the United States and Canada there has been terminated \$38,000,000,000 of insurance.

Brings Out Salient Factors

Many general agents have devoted more time to personal production, needing the income from that source. This has reduced their organizing work. The conclusion is being reached that new business alone is not a sound goal. Quality, quantity and cost are all-important factors.

The agency man, he said, must conduct his work on a planned basis rather than merely engaging in emergency or trouble-shooting activity.

Although time control and budgetary control are being emphasized the agency man must not become so preoccupied with the mathematics of these procedures that he loses sight of the fact he is a human being dealing with other human beings. He must continue to be able to see the problem of the private in the ranks.

Emphasizes Important Points

Mr. Holcombe enumerated some of the things in life insurance which continue to be valid. They include the necessity of service to the public, the importance of quality business, the value of a system of compensation and the effectiveness of organized sales talks.

Organized effort is essential in home office and field. There is no place today for the group of prima donnas who were formerly exalted.

The statement of Mr. Holcombe that 94 percent of the business written is placed with companies that are members of the Research Bureau drew hearty applause. Mr. Holcombe said the bureau is now concentrating on consultation calls. The objective is to call on all companies at least once a year. He urged the agency officers personally to visit the bureau's office.

Will Stay Socialistic Trend

Roger B. Hull, general counsel National Association of Life Underwriters, in his talk before the Milwaukee association this week, said that the greatest benefits America is to receive in the coming years from life insurance are by no means indicated by the aggregate of its investments. He called attention to the fact that more than four billion dollars was paid out by life companies last year and during the last four years these benefits have had a tremendous effect in stabilizing and safeguarding the national financial structure.

He said that during the months of re-

Time Control Essential in Day of the Small Policy

GREATER ACTIVITY NEEDED

D. V. Bloxham of Travelers Addresses
Managers' Division of Chicago Association of Life Underwriters

The importance of time control, especially in view of the fact that the era of the small policy has returned, was emphasized by D. J. Bloxham, superintendent agency field service for the Travelers, in a talk before the managers and general agents' division of the Chicago Association of Life Underwriters. Since the average sized policy is lower today, there must be increased activity on the part of the agent to keep within shooting distance of his volume in the past. Time control, he said, is the answer. It discloses weak points in the operations of an agent and indicates the remedy. It has proved the salvation of many of the older agents.

Mr. Bloxham recalled that prior to the war the agent's job was largely to sell burial insurance. A \$5,000 policy was rare. After the war, people learned life insurance had a part in conserving as well as creating an estate. The average sized policy in the Travelers went up to \$7,000. Then came the smash. Big assureds were wiped out and they are not coming back. Therefore the agent must concentrate again on the larger class of buyers who earn \$5,000 a year or less. Mr. Bloxham quoted E. A. Filene as stating that five-sixths of all the goods and services purchased are by persons with incomes of less than \$2,000.

E. B. Dudley Presides

E. B. Dudley, manager for the Travelers, presided at his first session as chairman of the managers and general agents' division. T. F. Lawrence, Reliance Life, gave a report on the satisfactory financial outcome of the convention in Chicago of the National Association of Life Underwriters.

After hearing about the benefits that have come from cooperating with the Better Business Bureau, the members voted to continue to support that organization financially. Walt Tower, executive secretary, said Illinois is infested with insurance rackets. The twisters are developing new technique by publishing what purport to be magazines of disinterested advice to policyholders and by conducting what they call rating bureaus. N. H. Bokum, Massachusetts Mutual, who is chairman of the legislative committee, said the Life Presidents Association in a few days will have completed recommendations to Insurance Director Palmer of Illinois, who is working on a recodification of the Illinois insurance laws.

W. M. Houze, John Hancock Mutual, in a short talk urged the managers to inspire in their men loyalty to the institution of life insurance as well as loyalty to the individual companies. The battle today is for the institution. The public must be convinced that life insurance is sound. He expressed the belief the Chicago operators are faced with the most difficult problem in the country, since 40 percent of the insurance companies that have failed have been Illinois companies.

H. G. Swanson, New England Mutual, who was scheduled for a serious address, surprised his audience by turning humorist and lampooning some of the practices of the day.

construction life insurance will operate to counteract socialistic tendencies. He thinks that agents have failed to dwell sufficiently on the habits of self-reliance, self-denial and unselfishness which have been practiced in the creation of life insurance trust funds, for future security and welfare of dependents.

KING SOLOMON SAID:

"Seest thou a man diligent in his business? He shall stand before kings."

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The indolent underwriter soon earns and merits the scorn of those whom he assumes to serve.

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Cause of Life Insurance Failures

It is interesting in analyzing the failures of legal reserve life companies to note a predominating cause. These companies so far as their professional insurance work is concerned could have been commended. Their underwriting, actuarial, medical, agency departments all gave a good account of themselves. The weakness in all these institutions has been in the investment end. If those looking after the investments had been as conscientious, intelligent and able as those in command of the other departments, these companies would not be in the plight that they are.

This fact will tend to create in the minds of buyers of insurance the necessity of scanning more carefully the investment record of companies, making an analysis of their investments and getting a true picture of their investment policy. There are certain patent conclusions that can be drawn from these failed companies. They have either been exploited for the benefit of those in control, they have been manhandled through clumsiness and obtuseness or those responsible have not had the training for their special work that is noticed in other departments and have not established standards that have guided the rest of the companies.

There has been a lack of diversification in investments, due largely to the fact that those in control employed life insurance funds to bolster up outside enterprises in which they were interested. This is one of the most dangerous financial policies because with the tottering institutions outside of insurance where an officer may be financially interested, there is always a temptation to call upon the life insurance funds for help.

Again there has been what might be termed a lop-sided investment policy in

some companies, either running far too strongly to one class of investments or what is worse to over purchase the securities of one single institution. Take, for example, the most recent collapse, the NATIONAL LIFE, U. S. A. It had 11,050 shares of CONTINENTAL-ILLINOIS NATIONAL BANK of Chicago. That was far too great an investment for even one of the large companies. The decrease in the value of the bank's shares completely wiped out the capital, surplus and contingent reserve in the NATIONAL LIFE, U. S. A. We cite that as an example of a very mistaken investment program.

The other departments of a company have established standards for their work. The underwriting, medical, actuarial and agency departments have set rules. They work within certain bounds. There has been no company wrecked because of failure of one of these departments. The damage has been done by the investment end of a company. Therefore companies will have to give a good account of themselves investment-wise in the future if they desire public confidence because that is going to be one of the paramount considerations in the purchase of life insurance hereafter. Furthermore the companies will have to present proof of unimpeachable nature that their officers and directors will not use life insurance funds to bolster up outside enterprises in which they are interested.

The amended investment law of Illinois passed by the last legislature takes this matter into account. It is time that life insurance officials recognize the fact that the funds over which they have control are not private but of a trust nature. When that attitude toward life insurance is found there need be little fear of a company collapse, as recent developments have shown.

Shuts Down on Disturbers

FEDERAL JUDGE WILKERSON of Chicago is to be highly commended for his decision last week in overruling protests that had been filed by two or three cliques trying

to upset the contract whereby the CENTRAL LIFE of Iowa took over the ILLINOIS LIFE. Even after the contract had been finally ratified by the receiver and the

PERSONAL SIDE OF BUSINESS

Among those invited by President Roosevelt to attend a conference at Washington last week, having for its purpose the creation of an organization for the protection of American holders of foreign securities, were Hendon Chubb, president of the Federal Insurance Co. of New Jersey, and Herman Ekern, Chicago attorney, former insurance commissioner of Wisconsin and later attorney general of that state.

A cabin office, as near an exact replica of the Abraham Lincoln cabin at Hodgenville, Ky., as possible, has been put up by J. P. Manley, district agent for the Lincoln National Life in San Angelo, Tex. The log cabin is proving to be very good advertising. It is on the most traveled street in San Angelo, right in the downtown district. According to Mr. Manley, the public recognition, advertising and good will secured from this unique office is tremendous.

Virgil Blackledge, with only three months service to his credit as an agent of Bankers Life of Iowa, led the entire field in individual business written in September. Mr. Blackledge is listed as a Des Moines agent but works in the field outside of the city. He formerly was with the Security Life of Chicago and has been 20 years in the insurance business.

Ward H. Hackleman, general agent Massachusetts Mutual, Indianapolis, and one of the biggest personal producers in Indiana, recently received two extortionist letters. Mr. Hackleman was ordered to put \$2,000 in different denominations in a culvert near the city. Failing to comply with the order, he received another as a reminder that the money had not been placed and no further fooling would be tolerated. The police arrested one man charged with the crime, who is reported to have confessed.

Members of the official staff of the Penn Mutual Life, with Vice-president Frank H. Davis as host, met at luncheon in Philadelphia to give a comradely send-off to John E. Gibbs. Mr. Gibbs has joined John T. Haviland, general agent at Newark, in a partnership which is to operate a metropolitan office as well as the long-established office in Newark. Mr. Davis, Manager John A. Stevenson and Superintendent of Agencies Wallis Boileau, Jr., speaking for the entire group gave Mr. Gibbs their best wishes. A memento in the form of a bronze electric desk clock was presented to him.

The speed of air service from the mid-west to New York enabled Karl Madden, general agent Penn Mutual at Dav-

enport, Ia., to close a \$100,000 life insurance contract with a New York doctor. Learning that the New Yorker was preparing to take on more life insurance, Mr. Madden telephoned him from Davenport and made an appointment with him for the following day. He boarded a United Air Lines transport plane at the tri-cities and reached New York six and one-half hours after taking off. Mr. Madden stated that the fact that he had flown to New York in order to interview the doctor was a contributing factor to the sale of the policy.

Inter-agency production contests of the American Central Life have stirred up intense rivalry. The northwest Texas contingent of Superintendent F. V. Studer is contesting M. W. Lammer's Indianapolis agency, and R. M. Belisle's westerners the Ohioans of P. H. Roach.

In the Studer-Lammers dispute, if the Texans are beaten, their chief will be compelled to stroll the streets of his community adorned with spats and a derby. But, should the Studerites triumph, the Indianapolis chief must sport a ten-gallon hat on the highways of the Hoosier capital. The Roach-Belisle duel provides that the defeated agency head shall suffer the indignity of a yellow sash about his belt-line at the next gathering of American Central field men.

A. F. Menges, vice-president and one of the founders of the National Guardian Life, died at his home in Madison, Wis.

After a period of ill health, Leslie R. Young, former assistant general manager and treasurer of the Canada Life, died at his summer home in Weston, Ont.

E. H. Hix, general agent Mutual Benefit Life and past president of the Mississippi Association of Life Underwriters, has been elected president of the Jackson (Miss.) chamber of commerce.

Agents of the Lamar Life are dedicating all October business to P. K. Lutken, executive vice-president.

C. G. Taylor, Jr., third vice-president of the Metropolitan Life and a former vice-president of the Atlantic Life of Richmond, headed the committee of the Southern Society of New York which was in charge of entertainment at its annual dinner and ball. Special guests of the occasion were members of the Alumni Society of Alabama. The ball followed the football game between the University of Alabama and Fordham University.

R. T. Stuart, president Mid-Continent Life, has been elected president of the Oklahoma state chamber of commerce. He addressed the Oklahoma City chamber at its Friday forum on "Economic Security in Oklahoma."

President H. K. Lindsley of the Farmers & Bankers Life of Wichita, a member of the executive committee of the American Life Convention, has been elected president of the Kansas State Historical Society.

George D. Riley, Mississippi insurance commissioner, was chosen a member of the executive board of the Masonic Relief Association at the biennial convention in Cincinnati. Commissioner Riley was one of the speakers at the convention.

H. E. McClain, Indiana insurance commissioner, who attended the annual meeting of the Industrial Insurers Conference at French Lick Springs last week, surprised some of the company officials and their wives in attendance at the meeting by his remarkable knowledge of poetry, ancient and modern. Mr. McClain's unusual ability along this

October 27, 1933

line was brought to light at some of the informal social gatherings in connection with the convention. When any well known poem was mentioned, Mr. McClain was able to quote it, in full or in part, and with remarkable effectiveness. There were only one or two cases in which anyone was able to "stump" him.

President B. F. Bushman of the Federal Reserve Life of Kansas City, Kan., who underwent an operation for appendicitis in a hospital at Kansas City, Mo., is now recovering. The operation disclosed a ruptured appendix, which made his condition grave for a number of days.

Celebrating Manager E. B. Houghton's birthday, 11 producers of that agency of the Guardian Life of New York in Rochester, N. Y., brought in 29 applications between 7:30 a. m. and midnight Oct. 10.

J. E. Durham, 76, head of the Bourne & Durham general agency of the Penn

Mutual Life in Philadelphia, died suddenly of heart failure while attending a meeting of his agency at Skytop, Pa. He was a former president of the National Association of Life Underwriters and the Philadelphia Association of Life Underwriters.

Mr. Durham joined the Penn Mutual Life in 1883 and observed his 50th anniversary with the company last May. The Bourne & Durham agency was formed in 1887. Since Mr. Bourne's death in 1903 Mr. Durham has had active charge. Mr. Durham had been a trustee of the Penn Mutual Life for a number of years and for 25 years he served as president of the Penn Mutual Agency Association. He was one of the company's topmost leaders in ability and influence and for a long period a participant in the development of the Penn Mutual's activities. He has also been prominent in Philadelphia civic projects.

R. L. Maclellan, vice-president and manager of the Provident Life & Accident's life department, is visiting Pacific Coast territory.

NEWS OF THE COMPANIES

Fitzhugh Is Named President

Columbian Mutual Life Elects General Counsel to Succeed Binford Who Becomes Chairman

The Columbian Mutual Life has elected Scott Fitzhugh, general counsel for 11 years, president to succeed Lloyd T. Binford, who retired from active duty upon the advice of physicians and will hold the post of chairman of the board. Mr. Binford became ill in 1929 and underwent an operation. For the present he will live on his plantation near Duck Hill, Miss.

Mr. Fitzhugh, who is 44 years old is a native of Dover, Tenn. He graduated from Cumberland University and practiced law at Paris, Tenn., before going to Memphis 16 years ago.

Employed first as an organizer of the Columbian Woodmen fraternal, Mr. Binford later became president of its Mississippi and Georgia branches. The two were consolidated in 1921 and the general office moved to Memphis. In 1923, when the Columbian Mutual tower was erected, the Columbian Mutual Life was made a mutual company authorized to write in Arkansas, Mississippi and Tennessee. It has \$35,000,000 of insurance in force.

Will Not Sell Kansas Life

C. M. Howell, well known Kansas City, Mo., attorney, calls attention to the fact that there was a misstatement regarding the possibility of the Kansas Life at Topeka being sold to another Kansas company. Attorney Howell says the Pyramid Life of Kansas City owns practically nine-tenths of the capital of the Kansas Life. It has no thought of relinquishing this ownership, he said. Attorney Howell says: "The Kansas Life is in one of the strongest positions as far as financial condition is concerned of any company in the west. The owners will continue to operate it as heretofore. There have been no suggestions concerning the sale of this company to any other Kansas company and if any such suggestions are made in the future they will not be considered."

Hold Tri-State Meeting

The Life of Virginia will hold a convention Oct. 28 in Indianapolis for agents from Indiana, Ohio and Michigan. Guests will include B. H. Walker, president; I. T. Townsend, vice-president; A. E. Crawford, assistant secretary, and H. P. Anderson, Jr., supervisor of agencies.

New Officers Are Elected

Guaranteed Securities Life of Topeka Adds Some Strong Men to Its List

President B. F. Dingman of the Guaranteed Securities Life of Topeka announces the directors have elected Hugh T. Fisher executive vice-president and counsel; H. H. Cecil, second vice-president and agency manager, and T. C. Mueller, secretary-treasurer. Mr. Fisher has been actively connected with the company since the death of C. W. Dingman, the president, a year ago in May. Mr. Cecil is a former general agent of the Lincoln National Life and was associated with the Metropolitan Life. He has had a successful life insurance experience. Mr. Mueller is vice-president of the National Bank of Topeka.

President Dingman reports that the company wrote three times as much new business in October as in any one month since June, 1932. During the 90-day period just closed it decreased its lapses 50 percent and increased its new business 190 percent.

Pleased with Name Change

The people associated with the Standard Life of Lawrence, Kan., formerly the Fraternal Aid Union, are delighted with the change of name. The company was a combination of the Fraternal Aid Association and the Fraternal Union of Denver. It has issued nothing but legal reserve insurance for the last 15 years providing legal reserve with the optional privilege of paid-up and extended insurance and giving loan values. The field men were almost unanimous in their request for a change in name.

Commissioner to Speak

Commissioner E. W. Clark of Iowa spoke at a banquet to celebrate the 34th anniversary of the National Life of Des Moines Oct. 24.

Report for Nine Months

New insurance paid for by agents of the Northwestern Mutual Life the first nine months of this year was \$140,559,340 on 37,974 policies, it was reported at the quarterly meeting of trustees. Assets Sept. 30 were \$1,005,710,497, a substantial increase over \$996,003,967 Jan. 1.

"An increase in disbursements for surrender values was noted, with a consequent decrease in the amount of renewal premiums paid, so that the decrease in new and renewal premium re-

Nylic Annuities

In order further to meet the demand for retirement incomes among men who must also have protection for their families until their policies mature, the New York Life has just issued a new contract called the Annuity Endowment.

This contract provides for an annuity of, say, \$100 a month to start "automatically" at age 65 with an option of \$13,400 as a cash endowment in lieu thereof, and also provides guaranteed values in event of lapse. Provision is also made in this flexible contract for annuities to begin at various optional ages.

Insurance protection for beneficiaries is provided up to age 65. For a \$100 monthly annuity, \$10,000 or the guaranteed cash value, whichever is greater, would be paid at death. The cash value would exceed \$10,000 in the later years of the contract.

For women who want a retirement income without protection for their families, there are retirement, accumulative and immediate annuities. For women who want a retirement income with protection for their families, there is a wide variety of endowment contracts with optional annuities. All New York Life endowment or life policies now being issued offer the insured an annuity under the optional methods of settlement.

The New York Life agent is thus well-equipped with contracts to meet the growing popular demand for life incomes guaranteed by a strong, legal reserve life insurance company.



HOME OFFICE BUILDING

**NEW YORK LIFE
INSURANCE
COMPANY**

**51 MADISON AVENUE
NEW YORK, N. Y.**

S A F E T Y

It is *Safety* that all are seeking wherever insurance is purchased.

Safety against want in old age—*safety* to retire at a given age—*safety* in event of accident or ill health — *safety* in event of death by providing money to pay off loans, mortgages or other obligations—*safety* to protect that which has been saved and accumulated—*safety* to provide for children and other loved ones.

Safety so that one can always face the future unafraid.

To provide this *safety* is the duty and obligation of all insurance companies.

To keep each company always in a sound financial condition to meet all emergencies is the duty of the management.

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Below is an extract from report made by the Wisconsin Department of Insurance upon completion of regular examination of this Company January, 1933:

"The Company is found in a good financial condition with surplus as regards policyholders of \$1,607,210.38 and contingency reserve of \$225,000, after setting aside legal reserves and other reserves which are more than adequate. Retrenchments in accordance with the present period have been programmed. The management is made up of men of ability whose tenure of office began with the organization of the Company. Its actuarial methods are sound and mortality experience has been favorable. Policyholders receive fair and equitable treatment."

Operating in
California Ohio
Illinois Oregon
Iowa South Dakota
Michigan Texas
Minnesota Washington
Wisconsin

OLD LINE LIFE
Insurance Company of America
Milwaukee, Wisconsin



Massachusetts Mutual

a synonym for
quality and excellence
in
Life Insurance

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

SPRINGFIELD, MASSACHUSETTS

Organized 1851

ceipts almost exactly represents the decrease in general income for the period, leaving all other items of income approximately normal," stated the report of President M. J. Cleary.

New Florida Company

The Security Life has been organized in Lakeland, Fla., with \$375,000 capital. E. A. Goodwin, mayor and large property owner, is president, E. T. Teeters and H. G. Craven, vice-presidents. Mr. Craven is a member of a big bond house and Mr. Teeters will be manager. Ira C. Hopper, former Arkansas secretary of state, is secretary. Policies of \$250 will be written for the time being.

Atlas Life Increases Capital

The Oklahoma secretary of state has approved the increase in capital of the Atlas Life of Tulsa from \$50,000 to \$300,000.

Munn Back of New Company

Harry E. Munn, who formerly was Indiana manager for the Mutual Life of Baltimore, is the insurance man interested in the organization of the Guarantee Reserve Life of Indianapolis. It

is incorporating under the assessment law but will maintain a full legal reserve.

Approve Atlantic's Capital Change

Stockholders of the Atlantic Life have approved a recommendation of directors that the par value of the stock be reduced from \$100 to \$50 and \$500,000 transferred to surplus. This places the capital at \$500,000.

Would Become Legion Life

The St. Joseph Valley Life has petitioned the circuit court at Elkhart, Ind., for permission to change its name to the Legion Life. The application will be heard at the December term of court.

Life Company Notes

The California-Western States Life has paid a dividend of 50 cents per share covering the third quarter of 1933.

The Illinois Mutual Life of Chicago has received its charter to operate under the assessment life act of 1927. The incorporators are F. S. Hellemann, formerly president Great American Casualty, now in charge of the Chicago branch of the Pacific States Life; Attorney E. R. Elliott of Chicago, and R. E. Furrow, assistant manager of agencies of the Pacific States Life.

AMONG COMPANY MEN

Touchstone in New Position

Former Lincoln National General Agent at Dallas Becomes Salaried Savings Sales Manager

J. S. Touchstone, formerly general agent for the Lincoln National Life in Dallas, has been appointed salary savings system sales manager for the company. In his new position as sales developer Mr. Touchstone will operate among all of the general agencies where he will devote his time to training salary savings system men and securing that business.

Mr. Touchstone went with the Lincoln Life originally in 1924 without previous life insurance experience and since that time has made a remarkable record in the business. He has specialized on large salary savings system and group cases although he has a large number of personal policies to his credit. A feature of his salary savings system work has been railroad systems.

vious life insurance experience and since that time has made a remarkable record in the business. He has specialized on large salary savings system and group cases although he has a large number of personal policies to his credit. A feature of his salary savings system work has been railroad systems.

Rathbone Is Educational Director

The Occidental Life of Los Angeles has transferred C. S. Rathbone, former manager at San Francisco and more recently at Fresno, Cal., to the home office at Los Angeles as educational director. H. D. Yaw, recently appointed assistant manager of the home office agency, will assist Mr. Jenkins.

LIFE AGENCY CHANGES

Ohio State Minnesota Plan Murphy to Philadelphia

Shasky Brothers Have Taken the General Agency in Minneapolis—Appointment at Stillwater

The Ohio State Life has been licensed in Minnesota and has appointed Shasky Brothers as general agents for the Minneapolis territory with offices at 340 Security building.

J. V. Shasky represented the Travelers in Minneapolis from 1916 to 1927 and resigned to take the agency of the Standard Accident. E. D. Shasky, his brother, for five years prior to the formation of the partnership in 1931, was cashier for the First State Bank of Biscay, Minn.

E. V. Anderson has been appointed general agent at Stillwater, Okla. When he returned from the war he became an agent for the Mutual Life of New York. His work won him the promotion to district manager at Stillwater.

P. A. Duncan, R. W. Ogden

P. A. Duncan, formerly with the Union Central and more recently with the Aetna Life, has been appointed general agent of the Minnesota Mutual Life at Waco, Tex. R. W. Ogden, formerly with the Missouri State Life, has been appointed general agent in Alamo, Tex.

W. E. Day has been transferred as manager of the brokerage department at San Francisco to Los Angeles by the Occidental Life.

Sales Supervisor for Group Department of the Equitable Takes Agency Manager's Post

Emmet J. Murphy has been appointed agency manager of the Equitable Life of New York in Philadelphia, succeeding George E. Ott. He started with the Equitable as an agent after he graduated from Cornell in 1922. His work in the field brought promotion in 1927 to a supervisory position in the group department. He became sales supervisor for the group end of the company throughout the entire country. His office is in 1308 Fidelity Philadelphia building.

V. S. Welch succeeds Mr. Murphy as sales supervisor of the group department. He has been regional supervisor of the Equitable's group insurance in the New York metropolitan area. He is a University of Pennsylvania man. He served as director of athletics and football coach at Hobart for 13 years and while living at Hobart he served as secretary of the chamber of commerce of Geneva, N. Y.

Farmers Union Mutual Is Changed to Stock Carrier

DES MOINES, Oct. 26.—The Iowa department has approved the application of the Farmers Union Mutual Life to become a stock company under the name of the Farmers Union Life, with

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capital of \$500,000. The new company takes over nearly \$10,000,000 in insurance.

About \$207,180 in stock has been issued and sold to policyholders of the old company. Of this amount, \$107,180 will be placed in surplus account. Stock was sold at \$15 a share. E. E. Kinsinger, secretary, said no more stock will be sold at present. Milo Reno is president. No change is contemplated in personnel of officers or home office staff. The new company will operate only in Iowa, Kansas and Nebraska.

A receivership action filed against the Farmers Union Mutual Life was dismissed some time ago.

R. T. Shea

R. A. Napier & Co., large general insurance agency of Chicago, which was appointed recently as Chicago and Cook county general agent for the Abraham Lincoln Life, has appointed R. T. Shea, formerly for five years an agent in the Chicago general agency of the Aetna Life, as manager of the life department. Mr. Shea was born and raised in Chicago. He secured his LL. D. in Kent College of Law there and for 11 years was in sales work with the LaSalle Extension Institute, National Sales Training Association, Alexander Hamilton Institute, and others. The new life department will depend for its business largely on production of brokers and is making a special appeal to them.

Ricks Strong

Ricks Strong of Columbus, O., has been named general agent for the General American Life in Dallas. He formerly was with the Missouri State in Little Rock and later in Memphis. Last year he went to Columbus as "trouble shooter" for the company. He holds the C. L. U. degree.

Life Agency Notes

E. D. Nolen has been appointed district manager for the Reliance Life at Austin, Tex.

Howell Gilbert, who has been manager of the Grand Rapids branch of the Bankers Reserve Life since its establishment in 1932, has been appointed manager of

Supervisor in Agency of New England Mutual



ERIC O. OHMAN

Eric O. Ohman, formerly general agent at Chicago for the Home Life of New York, has joined the Julius H. Meyer agency of the New England Mutual Life in that city as supervisor. Mr. Meyer is taking on additional space and is preparing to expand his operations, on the theory that this is the opportune time to make such an investment. Mr. Ohman was general agent for the Home Life until recently when the general agencies for that company at Chicago were consolidated under W. F. Jenkins.

the Grand Rapids district office of the Connecticut General, under State Manager T. F. O'Keefe of Detroit. Mr. Gilbert has established offices at 341 Michigan Trust building.

Offices of the Connecticut General Life in Oakland, Cal., under the management of J. M. Finney, have been opened. Mr. Finney was formerly with the Travelers and New World Life.



New York and Ohio

OPPORTUNITIES

Outstanding and substantial opportunities are available to the right men. Buffalo Mutual Life is now growing faster than at any time during its 61 years... evidence that its Policies and methods for securing business are meeting present needs.

If you would like to grow with us, write in confidence with details of your experience to: E. Parker Waggoner, Supt. of Agents, Buffalo.

18 POLICIES... Birth to age 60... DEPENDABLE PROTECTION

Whole Life Special • 20 Payment Life Special • Multiple Option Life and Annuity • 10 and 20 Year Modified Ordinary Life • 10 and 20 Year Family Income • Endowment at Age 65 • Ordinary Life, Endowment at 65 • 20 Payment Life, Endowment at 65 • 10, 15 and 20 Year Endowment • Special Convertible Term • 10 Year Term • Children's Policies (Three Forms) Birth to Age 10

10

MANAGERS' ASSOCIATION NEWS

Breakfast Conference Held

San Francisco Innovation Proves Popular—Strong and Peterson Outline Qualifications for Life Underwriters

SAN FRANCISCO, Oct. 26.—An innovation which appeared to be popular was a breakfast meeting of the San Francisco General Agents & Managers Association. J. S. Knox of the Knox School of Salesmanship, Chicago, was the principal speaker.

At a recent meeting Dr. E. K. Strong, Jr., professor of psychology at Stanford University, spoke on "The Use of Vocational Interest Tests in Selecting Agents." He discussed qualifications of life underwriters and the result of his vocational interest test which is based upon the records of a large number of successful life men. These records have been compiled and are used as average in checking the score of the underwriter or would-be underwriter in his reaction to the test. In this way it is possible to ascertain if the recruit has the same interests as the successful life underwriter and thus, what chances he has of succeeding in his chosen profession.

C. W. Peterson, manager Phoenix Mutual Life, told of the good results he has had in using the vocational tests. In his opinion, a life underwriter to be successful must have, first, character, and second, he must like the business. "After that," said Mr. Peterson, "we can teach him the mechanics of the business but

we cannot make him like the business nor can we supply character if he does not possess it."

Joint School in St. Louis

A joint training school for life insurance agents to be conducted by 41 companies was opened in St. Louis this week and will continue to Oct. 27. The school is operating under the direction of the General Agents & Managers Association of St. Louis. Some 152 students have enrolled. The school is in charge of a committee composed of E. J. Burkley, F. T. Rench and C. O. Fischer.

Report on Conventions

LOS ANGELES, Oct. 26. — The luncheon meeting of the Life Managers Club of Los Angeles was devoted to reports of the Chicago convention of the National Association of Life Underwriters and the meeting of the 1933 million dollar round table. R. A. Brown, Pacific Mutual Life, and N. E. Smith, Union Central Life, gave valuable pointers brought out at the round table. John W. Yates, Massachusetts Mutual Life, discussed interesting changes developed and brought out at the national convention.

Mutual of New York

The Mutual Life of New York in the last three months this year is conducting a national campaign for 30 percent greater paid production than in the last quarter of 1932.

Confidence

The rock upon which the salesman must build his edifice of success with his clientele is confidence. Without it the most masterly presentation, the most compelling arguments, the most inexorable persistence will fail.

When the prospect has become convinced that the underwriter to whom he speaks has absolute honesty of purpose, an authoritative knowledge of his subject, and is guided by a determination to serve—rather than a mere selfish urge to make money for himself—then only does he become more than just today's policyholder: He becomes a life-long client.

And this is surely as it should be, for into the hands of the fieldman are placed all the hopes and fears for that which man holds highest in life—the future welfare of his loved ones and himself.

AMERICAN CENTRAL LIFE
INSURANCE COMPANY
INDIANAPOLIS, IND.

LIFE COMPANY CONVENTIONS

Getting Back to Old Forms

Vice-President J. A. McLain of the Guardian Life, Spoke at the Indianapolis Life Meeting

At the Indianapolis Life convention in Chicago Vice President J. A. McLain of the Guardian Life was the guest speaker at the dinner. He said that the buying public is getting away from special policy forms and trick contracts and is buying ordinary life, 20-payment life and long term endowments.

President F. P. Manly in his talk

called attention to the vast contribution life companies have made in these uncertain times. Those companies that have been manipulated for personal gain, he said will pass off the stage. Those that remain will be stronger and will enjoy public confidence. He said that a life man who is making good is fortunate in being connected with the soundest business in the world. He has no reason to fear for his future.

Whatley in Des Moines

The record made by American life insurance the last three years was

praised before leading producers of the M. L. Seltzer agency of Des Moines by S. T. Whatley, vice-president Aetna Life.

Mr. Seltzer said that as a loyalty demonstration to visiting home office officials, the Iowa field force had written 150 applications for more than \$300,000. He presented an engraved pewter water set to M. M. Thompson, Cedar Rapids, who led the Iowa agents.

Mr. Whatley was accompanied to Des Moines by R. B. Coolidge, assistant superintendent of agents, and H. W. Florer, agency assistant, who addressed the sales conference.

They went on from Des Moines to Omaha for an all-day agency meeting of the H. E. Sorenson agency.

Marquette Life Rally

The Marquette Life of Chicago held a get-together banquet for field workers of Bureau county at Princeton, Ill., last week. Among the principal speakers were President John MacArthur, brother of Alfred MacArthur, president of the Central Life of Illinois, and Justus Chancellor, prominent Chicago attorney. Mayor Brown of Princeton presided as toastmaster and about 75 attended.

Columbus Mutual Dinner

About 70 agents of the Columbus Mutual Life in the Chicago area were guests of that company at a dinner in Chicago last week. The home office people who were on hand and addressed the agents were Carl Mitcheltree, secretary and actuary, and Forrest Braden, assistant to the president.

Mr. Mitcheltree discussed some of the current underwriting problems, particularly in connection with double indemnity and disability. He emphasized the agent's responsibility in getting full information and submitting it with the application. Mr. Mitcheltree discussed the factors in operations that indicate that lower dividends may be anticipated in the future. The higher mortality and the lower interest that can be earned on investments indicate increased cost of insurance.

Mr. Mitcheltree was in Chicago attending the joint meeting of the American Institute of Actuaries and the Actuarial Society of America.

Bryant Agency Meets

KALAMAZOO, MICH., Oct. 26.—Harry Ricker, assistant secretary Northwestern Mutual, and Russell Thierbach, assistant director of agencies, addressed a meeting of the Roy Bryant general agency of the Northwestern Mutual here. Milton L. Woodward, Detroit general agent, also spoke.

NEWS OF LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual Digest," published annually in May at \$5.00 and the "Little Gem" published annually in March at \$2.00

New Contract Is Announced

Occidental Life of Los Angeles Tells About the Policy in a Radio Broadcast

SAN FRANCISCO.—A new life insurance policy, believed by many coast people to be unparalleled in the history of the business, was announced over a coastwide broadcast Tuesday morning by the Occidental Life of Los Angeles. It was made from San Francisco by M. L. Giannini, president, and Vice-President V. H. Jenkins. Under the title of "Ironsides" the policy, as detailed by Mr. Jenkins, pays the full cash value plus the full face value on death of policyholder; permits withdrawal of cash values or borrowing without interest and without affecting face of the contract; permits a policyholder to pay only the fundamental premium when unable to pay the full premium without penalty of interest or reduction and permits borrowing on cash value to pay such fundamental premium if necessary.

Canada Life Annuity Rates Are Substantially Increased

The Canada Life has substantially increased its rates on immediate annuities, the immediate annuity with cash refund guaranty, immediate, immediate annuity with installment refund guaranty, immediate annuity with payment for 10 year's guaranty, and on the joint life and last survivorship annuity. The advance is substantially more at younger ages than older. The scale however appears to be generally lower than that employed by the Equitable Life of New York and other companies based on the American annuitant's 4 percent table rating up one year for males and 5 years for females. The new rates at quinquennial ages for all but the joint and last survivorship annuity are:

Age	Immediate Ref. Gty.	Cash Ref. Gty.	Instal. Ref. Gty.	10 Yrs. Ref. Gty.
40	\$1,729	\$1,834	\$1,813	\$1,757
45	1,602	1,724	1,700	1,638
50	1,460	1,604	1,577	1,508
55	1,302	1,475	1,443	1,372
60	1,137	1,338	1,301	1,238
65	969	1,193	1,154	1,111
70	799	1,046	1,003	962
75	632	903	855	822
80	490	772	721	692
85	429

AS SEEN FROM CHICAGO

GEORGE L. HUNT BREAKFAST

More than 100 New England Mutual agents in Chicago turned out for a breakfast Monday morning to greet Vice-President George L. Hunt of that company, who was in the city for the meeting of the Life Agency Officers. Edgar C. Fowler presided and brief talks were made by the other Chicago general agents for the New England Mutual, they being J. H. Meyer, H. G. Swanson and E. B. Thurman.

HEIFETZ AGENCY NOW SETTLED

The Samuel Heifetz agency of the Mutual Life of New York in Chicago, which for several years has been quartered in the Insurance Exchange, is settled in its handsome new offices in the Field building. The formal opening will be Friday of this week. Vice-president G. K. Sargent was present from the home office a few days ago, inspecting the new quarters. The number of the

suite is 2022. Mr. Heifetz has taken all of one wing, laying the office out ideally for his purposes, with the three producing units in separate quarters grouped around a central hall and accessible to the assembly and educational room. A novel feature of this room is that the rostrum is in fact a large box with hinged top, and is used to contain the folding chairs when it is desired to have the room cleared. The Field building has a ventilating system which purifies the air even when the educational room is crowded with agents who are smoking.

MATHEMATICIAN TODD DIES

James F. Todd, statistician of the H. C. Hintz agency of the Mutual Life of New York in Chicago for a number of years, died this week following an operation. He was 66 years of age. Mr. Todd formerly was statistician of the John Carmack general agency of



WE DO OUR PART

..... "We shall continue to do everything within our power to promote economic recovery." —Telegram to President Roosevelt

The MUTUAL BENEFIT

LIFE INSURANCE COMPANY • NEWARK, NEW JERSEY

UNUSUALLY ATTRACTIVE
DIRECT HOME OFFICE CONTRACT

In Unassigned Territory

GREAT REPUBLIC LIFE INSURANCE CO.

T. J. McComb, President

Great Republic Life Building, Los Angeles, California

THE UNITED STATES LIFE INSURANCE COMPANY

Organized 1850 In the City of New York Non-Participating Policies Only

Over 80 Years of Service to Policyholders

Good territory for personal producers, under direct contract

HOME OFFICE: 156 Fifth Avenue, New York City

the State Mutual in Chicago, which later became the Everts Wrenn agency and since has changed hands again. He had been in Chicago life insurance work 30 years. Mr. Todd was a Mason and past master of a lodge in his home town, Peoria, where burial took place.

COL. DUNHAM IN CHICAGO

Commissioner H. P. Dunham of Connecticut is in Chicago this week conferring with Superintendent Ernest Palmer of Illinois on important matters as well as meeting with some of the insurance people. He will be in Detroit the latter part of the week.

TOWER LEARNS ABOUT WOLVES

When a man says "Nice doggie" to a canine in the back stretches of the Far North where dogs are found infrequently, he often discovers that he has been trying to domesticate a timber wolf, according to Walt Tower, managing director Chicago Association of Life Underwriters. Mr. Tower has just returned from a hunting and fishing trip in and about Lake Manitou, Ontario.

He says his encounter with the wolf was his "most embarrassing moment." Mr. Tower returned with 15 pike and salmon trout totaling 150 pounds.

ESTATE CLASS IS STARTED

H. T. Powers of Chicago, authority on tax and estate matters, is starting soon his second annual lecture and quiz course for life agents. The objective is to give agents equipment which will enable them to analyze clients' situations and develop needs for insurance, to arrange distribution of insurance through trusts or under settlement options. Mr. Powers has prepared a 200-page manual that will be furnished as a text book. In addition to the class work, lectures will be given by professional or business men on related subjects. The last four sessions will be devoted to a clinical discussion of actual cases from Mr. Powers' files in which the principles studied will be applied practically by the students. For three years Mr. Powers has specialized on the organization of estates and has surveyed over 700 situations. Enrollments in the class are being taken at Mr. Powers' office in One North La Salle street.

AS SEEN FROM NEW YORK

By R. B. MITCHELL

J. ELLIOTT HALL TO SPEAK

J. Elliott Hall, general agent in New York City for the Penn Mutual, will address general agents and managers in Essex county, New Jersey, and vicinity at a meeting which will be held in the Newark Athletic club the afternoon of Nov. 16. His topic will be "The Problem of the Old Agent." It is possible that a dinner will follow, in which event a prominent life company official will be guest-speaker.

TAX PLAN IS VETOED

Authorization by the state legislature of the New York City refinancing plan agreed upon by the city and the bankers, and the vetoing by Mayor O'Brien of the proposed asset tax on fire and life companies has eliminated the danger of this capital levy which aroused such a storm of protest from all insurance men.

No opposition has developed to the proposal by the bankers that the fire and life companies absorb a portion of the \$70,000,000 bond issue for unemployment relief. The fire companies have been asked to take \$2,500,000 of these bonds while the life companies would take about \$17,500,000, the remainder being taken by savings banks and commercial banks.

W. J. BLACKWELL'S ADDRESS

Hard work, to produce results, must be coupled with accurate record-keeping or much energy will be wasted. W. J. Blackwell, assistant general agent Ben Hyde (New York City) agency of the Penn Mutual Life told members of the J. C. McNamara agency of the Travelers in New York City.

Entering the life insurance business some years ago after long experience in a line where salesmanship is closely supervised, Mr. Blackwell was astonished at the lack of supervision in life insurance selling and the consequent failure of many agents.

An agent whose production is geared on a \$5,000 a year income basis, Mr. Blackwell said, should remember that each hour of an eight-hour day is worth \$2.08 and that every time he wastes half an hour talking with another agent in the office each of them has wasted \$1.04. If he spends four hours at a ball game it has cost him \$8.32 in addition to his ticket.

Accurate record-keeping, he pointed out, enables an agent to spot the weak point in his sales methods and remedy it before it has cut too seriously into his earnings. Perhaps he is going after the wrong type of prospect, or his approach is faulty, or his sales talk is

wrong, or he is not making enough attempts to close. A glance over his records will show specifically what is wrong.

Citing an example from his own experience, Mr. Blackwell said that after several years in the business he found himself in a slump. Consulting his records he found he had been doing all right on everything except applications. Further investigating of this point revealed that in his enthusiasm for life insurance he had studied it so much that he was boring his prospects with actuarial details about life insurance instead of closing cases as quickly as possible. By correcting this error in his sales talks he soon put himself back on his former production level.

He strongly urged agents to sell some particular policy or plan when talking to a prospect, preferably one that the agent himself is enthusiastic about, as he is likely to do a much better job of selling, and probably make a better impression on the prospect than if he tries to do too much analyzing of the man's needs, at least until he gets better acquainted.

SALES TRAINING COURSE

A complete sales training course, compressed into two days' lectures, will be given Wednesday and Thursday by six well-known lecturers on life insurance at the Metropolitan Life auditorium under the auspices of the New York City Life Underwriters Association. The course has been laid out to include all the essentials of salesmanship and is a condensed version of the former New York University life insurance training course.

Speakers will be Vice-president G. M. Lovelace of the New York Life, Vincent B. Coffin, superintendent of agencies Connecticut Mutual Life; James Elton Bragg, manager in New York City, Guardian Life and former director N. Y. U. training course; Leon Gilbert Simon, Equitable of New York, author of books on business insurance and estate conservation; R. G. Engelsman, general agent in New York City, Penn Mutual Life; D. B. Maduro, counsel New York association and author of many magazine articles on taxation and the estate approach. Tickets for the course are \$3 for members and \$5 for non-members.

Kentucky Deputy Resigns

Dr. M. H. Beard has resigned as Kentucky deputy insurance commissioner in charge of securities.

Why Should I Be Interested?

AGE—

Forty-six years of business life—twice the experience period of your average prospect.

STABILITY—

Insurance in Force.....\$135,000,000.00
Assets 41,500,000.00
Resources back of each \$1,000 of business..... 307.40
Make any comparison you choose

ADAPTABILITY—

Both Participating and Non-Participating—all regular forms, equally competitive.

Three Special Forms

Master Endowment at Age 63.
Twenty Year Term Full Return Premium.
Retirement Income—Guaranteed Investment.

POSITIVE PLAN—

Our development plan is working.
Twelve new General Agencies in past three years.
Twelve more to "be made" during 1933-1934.

REQUIREMENTS—

Above the average



BANKERS LIFE INSURANCE CO.
OF NEBRASKA

HOME OFFICE

LINCOLN, NEB.

If you can furnish proof we will be interested. Territory available in Illinois, Iowa, Missouri, Pennsylvania and Ohio. Write A. B. Olson, Manager of Agencies.

Founded in 1887

Opportunity for managers in Desirable Territory

FOR qualified men there is a liberal and profitable manager's contract. The men chosen will work under the direct supervision and assistance of the Home Office. They will be given every possible help to insure their success with this strong 30 year old company.

This company writes all complete and modern forms of life insurance at a low net cost. Policies include participating, non-participating, disability and double indemnity.

If you are interested in a manager's contract that offers a real opportunity write

S. M. Cross, President
Columbia Life Insurance Co.
Cincinnati, Ohio

Would You Punt or Plunge?

Here's a problem in football—and salesmanship. Suppose you were quarterback—last quarter—score tied—the ball in midfield in your possession—fourth down, and a yard to go! Would you punt—or play safe—or plunge for the remaining yard? Here's how one of America's great quarterbacks solved the problem.

COMMONWEALTH CORDIAL CO-OPERATION

He used neither orthodox play. Instead, he threw a long pass over the goal line—giving his team a chance to score, yet without risking loss of the ball in midfield—because he knew the rules governing such passes.* Do you? In selling life insurance, there are so many agents that don't know the rules—or how to profit by them. They need Commonwealth's Cordial Co-operation—to give them a kit of "reserve plays"—to use when they need them. Write for more information.

*P. S. He won the game!

COMMONWEALTH LIFE INSURANCE CO. LOUISVILLE, KY.

NEWS OF LIFE ASSOCIATIONS

Hemingway Elected President

Connecticut Mutual General Agent in Pittsburgh to Head Pennsylvania Association—Extend Activities

At the annual meeting of the Pennsylvania State Life Underwriters Association in Pittsburgh, Lee D. Hemingway



LEE D. HEMINGWAY

way, Pittsburgh general agent Connecticut Mutual Life, was elected president. Earl Schaefer, Harrisburg, gave an interesting study on applicants for insurance licenses. In 1923 13 percent of the applicants were college graduates, in 1927 24 percent, and in 1932, 43 percent. This is attributed largely to the educational requirements to pass the state examination.

The Pennsylvania attorney-general, with the assistance of a committee of the state association and other insurance interests, is working upon a new insurance code.

The Pittsburgh association entertained the visiting delegates at a luncheon meeting, over 300 attending.

The Pennsylvania association is planning to enlarge its scope by developing new local associations. The Pennsylvania association has been active in

legislative work and was instrumental in the passage of the agents' qualifications law.

Davenport, Ia.—While the United States possesses only one-seventh of the wealth of the world, 70 percent of all insurance in force has been written on citizens of this country. Oliver Thurman, vice-president Mutual Benefit Life, told the Davenport association. He traced the growth of the life insurance briefly.

Colorado—W. W. Winne, chairman of the committee on twisting of the Colorado association, has started a campaign to curb this evil. Branding those guilty of this practice as "outlaws," he has addressed a letter to all members of the association requesting them to give his committee information on such violations.

San Francisco—A. S. Holman, Travelers manager at San Francisco, recently elected vice-president of the National association, was the principal speaker at the last meeting, reviewing the recent national convention. The entire program was in charge of the Travelers' local office.

Rochester, N. Y.—J. Frank Duffy, advertising counsel Gannett Newspapers, spoke at the monthly luncheon, citing the advantages of newspaper advertising in promoting insurance sales.

Lincoln, Neb.—Declaring that inflation of some kind will be necessary to attain the aim of the national administration in restoring prices to the 1926 level, former Congressman R. G. Simmons told the Lincoln association that this should be confined to credit inflation, because that alone can be controlled.

The association adopted a resolution, to be sent the President and all Nebraska congressmen, protesting against any debasement of the currency. President Dobbs and Secretary Lieberman reported on the national convention.

Halifax, N. S.—R. H. Oland has been elected president; T. Soders, vice-president; E. S. Dester, secretary-treasurer. G. Raymond Smith, president of the Canadian association, spoke on the Chicago convention.

Columbus, O.—J. Boyd Davis, district manager Penn Mutual, has been selected to teach the C. L. U. classes which will start about Nov. 1 under the auspices of the Columbus association, with the support of the Life Managers Association. Mr. Davis is secretary of the Ohio Association of Life Underwriters and treasurer of the Columbus association. The Columbus association has started

plans for its annual sales congress in March.

Hornell, N. Y.—Louis Roth and Sidney Wertimer, of Buffalo, spoke at a dinner meeting. Plans were made to increase the membership to include insurance men of neighboring communities.

Zanesville, O.—C. C. Doyle, president of the Columbus association, addressed the Zanesville association last week.

Nebraska—President Sebastian has submitted to the various member associations the question of increasing membership dues from 50 to 75 cents per year, the lower sum being insufficient to pay expenses of officers traveling in the association interest and practically barring from official place all agents whose jobs do not carry expense accounts. The Omaha and Lincoln associations have voted to postpone action indefinitely because of general conditions and the fact that the three principal officers at present are general agents with expense allowances.

St. Louis—A warning to the business leaders of America that if voluntary cooperation with the national government in its efforts to restore prosperity to the nation fails, then some form of compulsory coercion or even dictation is sure to be enforced, was sounded by R. B. Hull, managing director National association, in a talk on "Industrial Recovery and Life Insurance."

Akron, O.—S. E. Martin of Columbus, O., from the John Hancock Mutual, will be the speaker for the November meeting. Study clubs as auxiliaries of the Akron Life Insurance Institute have been organized. At the October meeting, Miss Mary Sue Wigley, a lecturer, sponsored by the Ohio State Life Underwriters Association, was the speaker. She addressed high school students, appeared before the Federated Women's Clubs and in the evening spoke before the Akron life men on "Forward Planning."

Los Angeles—Robert A. Brown, million dollar producer for the Pacific Mutual Life, reviewed the high lights of the Million Dollar Round Table in Chicago.

John W. Yates, general agent Massachusetts Mutual Life, discussed the new deal in relation to the proceedings of the managers' meeting and the convention of the National association in Chicago.

Detroit—At the Nov. 9 meeting of the Qualified Life Underwriters, Grant Hill, director of agencies of the Northwestern Mutual Life, will speak.

A skit written by M. L. Woodward, general agent Northwestern Mutual and program chairman, will be presented. The reasons for the success or failure of agents will be brought out graphically.

To the Thinking Life Insurance Men of America

Football is now the center of attraction. Life insurance funds have enabled many boys to play football at college.

Atlantic Life Insurance Co.

RICHMOND, VIRGINIA

Angus O. Swink
President

Wm. H. Harrison
Vice Pres. & Supt. of Agencies

cally. The theme of the skit is that work control is better than time control.

Watertown, S. D.—The Watertown, Aberdeen, Huron and Sioux Falls associations joined in a sales congress here, at which J. R. Hastie, Mutual of New York in Chicago and former president Chicago association; H. J. Cummings, vice-president and superintendent of agencies Minnesota Mutual, and R. B. Hull, managing director National association, were the principal speakers.

Fort Wayne, Ind.—Opposition to inflation of currency on the ground that it would be unfair to those who have invested money in life insurance was expressed in a resolution adopted at the last meeting. P. W. Sutter, past president, reported on the national convention in Chicago.

Milwaukee—Plans are announced for a meeting Nov. 16 at which J. R. Hastie, Mutual Life of New York in Chicago and past president Chicago association, will be principal speaker, his subject to be "Self Organization."

Paducah, Ky.—J. S. Lawrence was elected president at the October meeting. Schultz Riggs was elected vice-president; Sam Sloan, secretary, and Troy Mitchell, treasurer.

Moratorium Just a Fainting Spell

(CONTINUED FROM PAGE 6)

forgetting how to use the institution of life insurance and it had to be taken away from them for a while.

"If one of these 'fainting spells' comes along, don't conclude that anything fundamental has happened to the business of life insurance. When conditions get too bad, the best thing to do is to declare a moratorium."

Touching on the dependable solidarity of life insurance, which has brought it, as an institution, through the depression in such good shape, Dr. Huebner said people outside the business, even bankers and other financial men, are unable to understand why life insurance holds up so well during panics, and are likely to regard such failures as there have been with undue apprehension as perhaps forecasting a general collapse of the entire institution.

Mismanagement Cause of Failures

Canadian banks, he pointed out, have suffered no failures in the depression and there is no more reason why a properly managed life company should go under. Failures of life companies in this country could all have been prevented. Every case was due, he said, to mismanagement, deliberate or unwitting, resulting in the disregarding of the fundamentals of conservative practice. Lack of adequate insurance laws or laxity in their enforcement of course facilitate such mismanagement, he added.

Yet, assuming that every policyholder in every such failure during the present depression should lose his entire lien—an extremely unlikely contingency—the loss in comparison with the \$21,000,000,000 of life insurance assets would be only about \$1 per \$1,000 of assets, Dr. Huebner said. A survey up to the end of 1932 showed that the figure on this basis would be 93 cents per \$1,000 of assets, and the speaker doubted that suspensions since that time would bring it up to more than \$1 per \$1,000, or one-tenth of 1 percent.

Favors Investment Side

Dr. Huebner deplored any tendency to limit the investment side of life insurance.

"Everything but term insurance should many years ago have been called investment life insurance," he said. "The public has been mystified by the tremendous number of names that have been devised for these contracts. After all, it is just a question of how fast the investment element piles up in addition to the term insurance element."

Developing his conception of the life insurance policy as a callable, sinking-

fund bond, Dr. Huebner said it was a pity that the New York department a few years ago banned the use of investment phraseology in the selling of life insurance as the more agents keep from using investment language, the more will the public be kept in ignorance of the true nature of life insurance. It will be the work of the next ten years, he said, to get clearly before the public the simple picture of life insurance as a combination of decreasing term insurance plus an increasing investment fund whose sum always equals the face of the policy. The general public, including many bankers, is surprisingly ignorant of this easily grasped picture of life insurance, he declared.

The meeting was conducted by J. M. Fraser, New York City general agent of the Connecticut Mutual.

Rehabilitation of Older Men Stressed by Jaeger

(CONTINUED FROM PAGE 3)

assisted, given advice, and encouraged to use their own initiative.

The purpose of life insurance is unchanged, he pointed out. Therefore, it is not logical to constantly change the technique. He suggested that the business may be becoming too technical, that too many plans are being crowded into the minds of the salesmen, so that the idea of life insurance for protection is buried.

Mr. Jaeger asked whether the renewal system has not contributed something to the slump of old men; that is, whether the veteran agents, having become discouraged, have not settled back to live on their renewals rather than to get into the battle.

Criticizes C. L. U.

Many agents, Mr. Jaeger declared, are spoiled by attempts to convert them into actuaries and counselors. He said he has no quarrel with the C. L. U. movement but he declared this activity can be indulged in satisfactorily only by a few men. Those men are qualified for it, who want to round out their knowledge, after they have had success in the field, selling life insurance for protection and are able to retain their sense of proportion.

Mr. Jaeger told of one of the agencies of his company, which had become demoralized. The staff had been fed plenty of new ideas, but they could not sell. There was no punch. The debts of the agents were mounting up. An assistant superintendent of agencies of the company was assigned to take charge. Instead of bringing out new ideas, he dug up some of the old canvasses he had used, reanalyzing policy forms in the fashion that had been done in selling in former years and the older men were touched with some of their old time enthusiasm. Under the previous management, agents had been permitted to take notes. The new manager insisted on selling for cash. He told the men he was at their service, but it was up to them to think for themselves and act for themselves and use their own initiative. If they desired to employ his counsel in an attempt to get back on their feet, he was willing to help, but if they were not it was their own funeral and he wanted them to get out. There was a complete reversal of form in the agency.

Closed in Second Place

That agency closed the fiscal year Aug. 1, 1933, in second place among all the agencies of the company and in September it wrote the largest volume of any agency. Its September business was 98 percent cash with applications. A year before the new manager took charge \$7,000 nets had been charged to the salesmen. This year \$15.59 was all that was charged.

Mr. Jaeger said the companies should not be stampeded into putting out a lot of new policies. He deprecated the great rush for volume, with concentration entirely on new business and scarcely a thought to the old. He said

**30 years of
never faltering service**

to agents makes the

**Guaranty Life outstanding
as an agents' company**

modern, liberal policy contracts,
a strong financial foundation,
experienced, sincere management
are yours when you represent
this sound, progressive company

Lee J. Dougherty, President

Guaranty Life Insurance Co.
Davenport, Iowa

If you want to represent
a company offering...

quick service
fair dealing
personal attention
active help
home office cooperation
attractive policies
practical suggestions

you need not look farther. The Shenandoah
Life offers all these attractive features.
Write Charles E. Ward, Agency manager.

R. H. ANGELL
President

E. LEE TRINKLE
Vice-Pres.

W. L. ANDREWS
Sec'y-Treas.

SHENANDOAH
LIFE INSURANCE COMPANY

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We Have Openings

For Aggressive District Managers in 26 States and the District of Columbia, paying liberal first year commissions and non-forfeitable monthly renewals.

Our policies consist of a wide range of low cost participating contracts, designed to meet today's economic conditions.

We also have attractive Annuities and Juvenile policies.

For complete particulars write
F. A. Hicks, Superintendent of Agents

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Assets Exceeding \$16,500,000.00

COURAGE and CONFIDENCE
are needed to grasp Opportunity!

ARE YOU QUALIFIED FOR AN ATTRACTIVE
GENERAL AGENCY OPPORTUNITY?

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TRIPLE INDEMNITY LIFE INSURANCE

with Weekly Accident Disability
in One Contract for One Premium

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UNITED LIFE
and ACCIDENT
INSURANCE COMPANY

United Life Bldg., Concord, New Hampshire

Organized 1870

MUTUAL LIFE INSURANCE COMPANY
of Baltimore

Home Office: Charles & Chase Sts., Baltimore, Md.
PARTICIPATING ORDINARY NON-PARTICIPATING
INDUSTRIAL

the companies must build more slowly and more deliberately. The old successful technique should be invoked. He said the Bankers Life has not been hounding the field forces for new business in great volume. As a result, the first year lapse ratio has been lower.

Mr. Jaeger asked for a show of hands of those who had carried a rate book in their earlier years. There was an impressive number. He asked whether they attributed this success to the fact that the home office did their thinking for them when they were in the field. The job of the home office and of the agency managers is to develop men to do their own thinking, planning and to fire them with ambition. The goal should be resourceful men, men with vision, who do their own thinking.

T. M. Riehle Is Featured at Vivian Anderson Luncheon

(CONTINUED FROM PAGE 2)

pays his due. He advised the life men of Ohio to study some of the new laws passed at the last session of the legislature. They have real selling value in them. For example, he referred to the new law authorizing probate courts to use money of estates to invest in annuities.

Mr. Riehle in his talk said that life insurance is the only thing that has functioned normally during the last four years. He said that every life salesman should implant in his mind a few fundamental ideas and stick to them. He said he had patents pending on three inventions (1) a device which will enable a man to get two sound basic selling ideas and stick to them; (2) a device which will prevent a life salesman from talking too much and (3) a device which would prevent the salesman from hearing the word "no" until it had been uttered nine times but would enable him to hear the word "yes" although not uttered audibly.

Pass Sound Money Resolution

On motion of Emmet C. Peebles, Northwestern Mutual Life, the Cincinnati association adopted a stirring resolution asking President Roosevelt to resist pressure for the adoption of an unsound monetary policy.

Fritz A. Lichtenberg of Columbus, O., general agent of the Massachusetts Mutual and president of the Ohio State Life Underwriters Association, brought greetings from his organization. Mr. Anderson is a former president of the state association. Jack Lauer, Penn Mutual, the new president of the Cincinnati association, presided at the meeting.

Cincinnati's Mayor Present

One of the chief speakers was Mayor Russell Wilson of Cincinnati who proved to be a sparkling and entertaining talker. He said that Mr. Anderson had brought great honor to Cincinnati and that he personally considered him one of its foremost citizens.

Others at the speakers' table were Mr. Peebles, John L. Shuff, Union Central, former National association president; Edgar Friedlander, former treasurer of Hamilton county, who was the political adviser of the Anderson campaign committee; R. W. Nelson, executive vice-president Cincinnati chamber of commerce, and C. M. Cartwright, THE NATIONAL UNDERWRITER.

Ohio National Life Ceremony

The officers and directors of the Ohio National Life have arranged for appropriate ceremonies at the cornerstone laying of the home office building, 2400 Reading Road, Cincinnati, at 3 p. m., Nov. 1. There will be a luncheon preceding the event at which Mayor Russell Wilson will act as toastmaster. The guests of honor will be Director of Commerce T. H. Tangeman and Insurance Superintendent C. T. Warner of Ohio.

To Seek Bids for National, U. S. A.

(CONTINUED FROM PAGE 2)

With national recovery still in the balance; facing the certainty of "controlled" inflation and the possibility of further economic upheavals, there is scarcely any prospect of finding a company willing to do more than run off the liability for a fee, applying assets as far as they will go and investing nothing in the National Life's business.

Receiver Lucey is now engaged in making an audit of the company and appraising its assets. Official Liquidator H. R. Hershey of the Illinois insurance department, together with his assistant, and Director of Insurance Palmer have been at the head office trying to get their bearings with the company. The capital, surplus and contingent reserves amounting to over \$1,000,000 are all wiped out and the reserve is impaired probably 25 or 30 percent.

Assets Being Inspected

Some company officials are looking over the assets to see what kind of a bid can be made for the business. The wisest officials are not willing to take over a company in the hands of a receiver or in a tottering condition for fear of engulfing their own institutions in great embarrassment. Some companies are willing to engage in a managing contract with a service charge of so much per \$1,000 dollars of insurance in force until such a time, at least, as conditions become more stable and values more settled.

The company has been subject to terrific lapse and has perhaps lost as much as \$40,000,000 in business since Dec. 31. Agents of other companies have been aware that the National Life was gasping for breath and many of them advised policyholders to take out their cash or secure loans and play safe.

Director Palmer issued an official letter to all life companies operating in the state stating that his office intends strictly to enforce the anti-twisting statute in the state. He referred to the receivership, saying that he hoped it would not last more than 60 days unless some unforeseen difficulty should arise. He said, "Naturally during a receivership the policyholders are disturbed and become easy prey for twisters. While I realize that some policyholders may desire to transfer to your company during this period of uncertainty with regard to the receivership and affairs of the National, U. S. A., I feel it my duty to call to your attention the enactment of the anti-twisting law at the last session of our legislature, and desire that you bring it to the attention of your agents."

Endorsed by Good Insurance Men

"You are familiar with this legislation which had practically the unanimous support of the insurance fraternity in this state, and so far as I know is heartily endorsed by good insurance people everywhere. It is for the protection of the legitimate insurance business and the men in it as well as the policyholders."

Superintendent Palmer asked the cooperation of companies licensed in the state to see that their agents in other states where the National Life, U. S. A., has been doing business conform to practices which would be required of them under this law if they were to transact business in Illinois.

Superintendent Palmer said that all premiums received pending final adjustment are being impounded in a special fund. He declared that it is to the best interest of the policyholders to continue to pay their premiums. He urged policyholders not to be stampeded by agents of other companies nor to lapse policies in the National until the plan for reorganization and reinsurance is worked out. Mr. Palmer said that no doubt all death claims will be paid in

fall. It may be necessary to place temporary liens on the reserves. He said the insurance department will cooperate with the receiver and court to the end that a contract fair to policyholders will be entered into.

Hope for Quick Action

In view of the long drawn out receivership and reinsurance negotiations and litigation in the case of the Illinois Life, the proceedings in regard to the National Life, U. S. A., are being watched with great interest. This is especially true because of the speed with which the Missouri State Life was re-insured in the General American.

It is the hope of all insurance men that a deal in Illinois may be disposed of as quickly, for there is a serious effect on all life insurance to have the corpse of a defunct company knocking about for many months, with the public frequently agitated by daily newspaper stories. The keen personal interest evinced by Director Palmer and his presence actively on the job in the home office in Chicago this week have indicated an intention to close matters speedily for the good of policyholders.

Staff Drastically Reduced

The receiver has made drastic reductions in the executive, agency and employees' personnel. The skeleton force is hard at work attempting to conserve the business. It undoubtedly has been raided by some agents for upwards of two years; ever since the first rumors began to spread. In spite of Director Palmer's threat of prompt action against twisters, undoubtedly much more business will be lost before reinsurance can be effected.

The actuarial force is working overtime in an effort to value the business as of Oct. 17, the date of the receiver-

ship. There were many lapses hanging fire when the doors closed, and this business also must be valued.

A number of ancillary receivers have been appointed in some states, and in other states, it is reported, steps are being taken to this end.

Commissioner Mitchell of California notified the company to appear Oct. 26 to show cause why he should not take control of its California assets.

C. T. Warner, Ohio insurance superintendent and C. A. Mooney of Cleveland have been appointed ancillary receivers in Ohio for the company. Mr. Mooney is a former agent of the National Life, U. S. A.

William Murdoch, former secretary of the Oklahoma insurance board, has been appointed ancillary receiver in his state.

Commissioner Sullivan of Washington revoked the license of the company some weeks ago. It is likely that an ancillary receiver will be appointed in Mississippi.

Commissioner Clark of Iowa was appointed in his state. Approximately \$2,000,000 in securities are on deposit in Iowa, the company having taken over two Iowa companies.

F. B. McNamara of Indianapolis has been appointed ancillary receiver in Indiana. Jess G. Read, Oklahoma commissioner, has asked for a receiver, for Oklahoma business.

In Arkansas, George Brannan of Little Rock was appointed ancillary receiver. James S. Barrow of Lawrence, Kan., has been appointed in that state. Thomas McGee of Kansas City, senior member of Thomas McGee & Sons, general insurance agency, has been appointed in Missouri. T. M. Markham of Austin, Tex., has been appointed in that state. Montana is one of the states in which similar action is being taken.

Innovations Prove Their Worth

STARTLING though they were when inaugurated 25 years ago, Columbus Mutual Innovations have proved their worth. Vested Renewals, Unrestricted Territory, Automatic Promotion, Direct Home Office Contracts for every Agent offering unlimited opportunity for Personal Production and Agency building with liberal compensation and freedom from constraint or coercion—these Innovations have made possible unusually Low Cost Insurance, and have saved huge sums for both Policyholders and Agents.

COLUMBUS MUTUAL LIFE

Columbus, Ohio

COMMITTEE REPORTS ON CASH VALUES

(CONTINUED FROM PAGE 1)

creasing the rate of interest assumed in valuation of policy liabilities, and, the committee said, but for legal restrictions as to guaranteed surrender values these principles could well prevail today.

"Clearly a well managed life insurance company reserving for its liabilities on a stringent basis, with surrender values conservatively guaranteed on a basis approximating the standard that would be employed for determining solvency, is in an impregnable position," the committee stated.

The committee said the primary purpose of life insurance is to pay death claims and the guaranteeing of cash surrender values should be deemed of secondary importance. If a contrary course is followed the public probably will be compelled to pay a higher price for its insurance.

If cash surrender values are guaranteed on too high a scale this may seriously interfere with employment of members' funds in investments, other than short term securities.

The committee stated, "It appears that the making of long term investments as has been the practice of the life insurance companies is an essential part of the national economy. If the members are given the right to withdraw an unduly large proportion of their reserves in cash it becomes necessary to hold an unpredictable proportion of the assets in cash or in other available resources that must be readily subject to liquidation under all possible conditions. On the other hand with the withdrawal privilege limited to a substantially smaller proportion of the reserve, the contractual guaranteed cash value could be protected by a smaller holding of cash and liquid securities which would result in a higher interest yield on the funds with consequent lower cost of insurance to the public.

"The converse is that high guaranteed cash values require high liquidity with consequent reduced interest returns and

increase to the public of the cost of their life insurance, and even with the increased liquidity unnecessary danger to the essential insurance protection.

"Your committee believes that in times of national stress the withdrawal of members will be influenced by the degree of that stress and the scale of cash surrender values that are guaranteed.

Possible Danger Emphasized

"With a continuance of the present practice of making the allowance of high cash surrender values the subject of guaranty, we believe it is conceivable that at some future date, particularly with an increase in age of our life insurance companies, the values of their assets might, especially during a period of national stress, fall below the aggregate amount of cash surrender values guaranteed.

"Your committee is not opposed to reasonable withdrawal values. We do oppose the guaranteeing of cash withdrawal values that may at some future date impair the equities of continuing policyholders and defeat the primary purpose of life insurance.


"Your committee recognizes the important part which liberal guarantees have played in the development of life insurance in the United States during the last 25 years and believes that sound values available at all times will not retard and may enhance future development."

There was an appendix giving practices in Sweden, Germany, Switzerland, France, continental Europe, and Great Britain. In regard to the latter country it was shown that English companies

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THE BOURSE PHILADELPHIA

have never been forced or been willing to give the high values given in the United States, consequently no abnormal situation has arisen there as the result of people dropping policies in one company and effecting new insurance with another.

REPORT IS DISCUSSED

H. H. Jackson, vice-president National of Vermont, led off the lengthy discussion of the subject which followed filing of the report. He said here was a downward trend in loans in spite of removal of policy restrictions, but a lag in surrenders due to continuing effect of the heavy policy loans of the past is holding the surrenders at a comparatively high point. The general attitude of the public toward life insurance has not been hurt by the moratorium.

Mr. Jackson said specifically there are sound limits within which cash demands can be met but the limits will be influenced by competition, economic conditions, etc. The practice should be carried out according to the best banking methods. Mr. Jackson asked if it is too much to hope that the time will come when a policyholder who quits will have paid the full cost of his association and also something extra for the privilege of surrendering. He reported in one company that a third of the dividends are being paid to policyholders less than six years with the company.

Percy H. Evans, vice-president and actuary Northwestern Mutual, reported figures for his company, loan applications having reached \$8,500,000 in one month at the peak and now coming in at the rate of about \$3,500,000 a month, although dropping to \$3,000,000 in September. There is danger in the prospect of direct inflation, he said, in that the public may attempt to make cash withdrawals to buy commodities and securities on which to make a profit when the rise comes, but he believes the public will not be able to profit thereby. One reason is the much greater powers given to insurance superintendents to act in emergencies.

Exponent of Banking Idea

Mr. Evans was firm in the belief that life insurance should be in the banking business; it should be organized for that purpose. He said too much emphasis has been placed on reducing the cost of insurance. The public is entitled to the service which life companies can offer somewhere between outright annuities and ordinary commercial banking. Investments should be adjusted to permit liquidity to meet such demands and a penalty placed on cash withdrawals so as to give a proper and reasonable banking service. The solution is linked with many problems in the national currency and banking situations.

F. D. Kineke, assistant actuary Prudential, and E. O. Dunlap, assistant ac-

tuary Metropolitan, also spoke, the latter saying there was a distinct downward trend this year in new loans to pay premiums and in cash outlay on loans.

Demand for Loans Reducing

W. P. Coler of the American Central, former actuary American Life Convention, saw as very assuring the fact that the aggregate demand for loans is reducing. He does not believe companies should be exposed to demands for cash loans on policies. Mr. Coler saw as imperfect the "assets shares" method of determining cash surrender values. He stated this factor is based on book value which may vary depending on conditions.

M. A. Linton, president Provident Mutual, gave interesting figures on cash surrenders and loans drawn from the experience of 20 companies. He said that the percentage of the cash demand for surrenders and loans in relation to reserves on insurance held at the beginning of the year for the 20 companies was 8.3 percent for the first eight months this year. Corresponding figures for other years were: In the '90s 3.3 percent; 1907, 6.1; 1921, 5.5; 1929, 7.1; 1930, 7.2; 1931, 9.3, 1932, 10.7.

Tennessee Life of Knoxville Has Made Its Official List

The Tennessee Life of Knoxville has now been authorized to sell stock, it proposing to issue \$150,000 preferred and \$200,000 common at a price to produce \$100,000 surplus. W. H. Picklesimer, president of the Riverside Lumber Company, has been elected president; W. H. McCroskey, treasurer of Holsten Quarry Company; H. G. McMillan, insurance agent and former president Tennessee Association of Insurance Agents; and George E. Bush, vice-presidents; treasurer, T. W. Watson, East Tennessee Building & Loan Co.; assistant treasurer, J. H. Warlick; general counsel, K. E. Steinmetz and Leon Jourdmon, Jr.; secretary, Stuart Fonde of H. C. Fonde & Son; medical director, Dr. J. O. Corpening.

Great-West Life Redating Plan

From March 1, 1932, to June 30, 1933, the Great-West Life was successful in having over 2,900 policies for approximately \$9,000,000 redated. A test was made of a representative number of these policies for the purpose of ascertaining the persistency and also the method followed by the policyholders in paying the first regular premium following the redating change. The test revealed that 91 percent of the policies were still in force six months after the premium due date following the redating change. The results indicate that the redating plan has met with a reasonable measure of success.



Stephen M. Babbitt
President

HUTCHINSON, KANSAS



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No Better Company
No Better General Agent's
Contract Than Our Service
Pension Contract

THE LAFAYETTE LIFE INSURANCE CO.

W. W. Lane, Secretary F. L. Alexander, President
W. R. Smith, Field Vice-President
LAFAYETTE, INDIANA

No Quibbling

Life insurance has grown to gigantic proportions, because of its utility and the absolute assurance on the part of the policyholder that the policy terms will be carried out. While accident and health insurance has a utility as great, the complexities of its various contracts, inherent to the business, have not, in the past, given that same assurance that the claim will be paid with no quibbling. With our new contracts, however, this difficulty is ended. Send in the coupon for further information.

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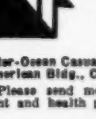
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TRAVELERS in Iowa and Minnesota say—"Yes—if you want the best of everything at the most reasonable prices, stay at Black Hawk Hotels." Black Hawk Hotels are popular!

Next Time you travel in Iowa or Minnesota try Black Hawk Hotels for comfort, convenience and savings. Our low prices mean traveling economy for you! Minimum rates at our hotels range from \$1.50 to \$2.50 and we have PLENTY of minimum rate rooms to offer. Extra guest only \$1.00.

Our low prices mean traveling economy for you! Minimum rates at our hotels range from \$1.50 to \$2.50 and we have PLENTY of minimum rate rooms to offer. Extra guest only \$1.00.

Answers to C. L. U. Degree Examination

General Education

(CONTINUED FROM LAST WEEK)

Question 3

Legislation restricting or prohibiting the passage into interstate commerce of goods produced in plants employing laborers for more than 30 hours per week has been considered as an economic measure by the federal government. Discuss the social effects and implications of such a measure.

Answer to Question 3

The social effects of a 30 hour week would undoubtedly be far reaching, but the exact social effects are a matter of opinion. It would provide for a more equal distribution of work because those who are now working more than 30 hours per week would share the excess with the unemployed. This would distribute more equitably that portion of our national income which goes to labor. Leisure time would also be more equitably distributed.

The social benefits of this more equal distribution of labor hours will be good or bad depending upon the rate of wages. If wages are reduced in proportion to the reduction in working hours, then many workers may be placed upon a bare subsistence level or will be forced to resort to charity for aid. If such is the case, it will become necessary to enact minimum wage legislation. Otherwise, the net effect of a 30 hour week will be to increase the vicious practice now existing of subsidizing low wage firms by funds obtained from charity.

* * *

These persons whose employment is limited will find themselves with a considerable amount of free time on their hands. The use which is made of this extra time will determine whether such short hours are desirable. If proper use is not made of this leisure time, it will result in an increase in crime, unrest and kindred evils. The normal individual, however, will probably be healthier, happier, have more time to spend with his family, and will be enabled to improve his mind and to broaden his social outlook. The community can assist materially in developing a better appreciation of literature, music and the arts, and many other things which would

tend to make better and more useful citizens.

Question 4

During the business depression a greater proportion of our social problems have been those resulting from lack of adequate income. The method of meeting the problems has been largely that of alleviation of need through the provision of small weekly sums to those affected.

(a) Do you consider this to be a satisfactory immediate solution? Why?
(b) Do you consider it to be a satisfactory permanent solution? Why?

Answer to Question 4

(a) The method of providing a small weekly sum to those actually in need during this depression seems to be the best immediate way of meeting this problem. An alternative method would be to provide actual commodities, although probably this would not be as satisfactory. Nevertheless, whatever the method employed, when a man or his family lacks food, shelter or clothing, some provision for the bare necessities of life must be made. We cannot let people starve, and if we have no work for them, we must provide for their needs. If we had not provided such a plan for alleviation of distress, I thoroughly believe that we would have had social unrest, riots and possibly revolution.

* * *

(b) Such a plan, however, would by no means be a satisfactory permanent solution. The reception of a "dole" weakens the moral fibre, tends to weaken initiative, and makes a man more and more reconciled to being a recipient of charity. If conditions of employment do not improve so that he can be re-employed in industry, then some useful labor at a small recompense should be

provided, so that each one may feel that he is earning his way. I think that President Roosevelt's forest army at a dollar a day shows the way to the possibility of taking care of unemployed without making them lose their self respect.

* * *

As a permanent plan it would become a heavy burden on the taxpayers and others who are putting forth their best efforts in an attempt to maintain and improve their standard of living. Any satisfactory permanent solution must be such as to encourage each individual to become self-supporting at the earliest possible moment. In the final analysis, efforts should be made to prevent the occurrence of extremes in the business cycle, which lead to such great unemployment and suffering. A prepared plan of public works and the establishment of unemployment insurance funds will do much toward a permanent solution of this problem.

September Buyers of Life Insurance

Who bought the big policies in September? The monthly analysis recently made by the Lincoln National Life gives a good indication. Brokers, commission men, bankers and insurance men led the list. Retail dealers were second, lawyers third and other professional occupations fourth. The following occupational listings were high on the monthly tabulation: Chemists, physicians and surgeons, wholesale dealers, factory managers of all kinds, buyers in the retail trade, salesmen, commercial travelers, meat dealers, automobile accessory dealers, automobile dealers, teachers and bookkeepers, cashiers and accountants.

Companies and C. L. U. Men

The companies having the largest number of C. L. U. men in their organizations are: Acacia Mutual, 8; Aetna Life, 18; American Central, 6; Connecticut Mutual, 10; Equitable of Iowa, 20; Equitable of New York, 91; Guardian Life, 7; John Hancock Mutual, 15; Lincoln National, 9; Massachusetts Mutual, 48; Mutual Benefit, 33; Mutual Life of

New York, 27; National Life of Vermont, 8; New England Mutual 21; New York Life, 15; Northwestern Mutual, 83; Northwestern National, 8; Pacific Mutual, 14; Penn Mutual, 42; Phoenix Mutual, 8; Provident Mutual, 25; Prudential, 25; State Mutual Life, 11; Sun Life of Canada, 14; Travelers, 30; Union Central, 17.

Amos and Andy Stunt Is Used as Illustration

Whenever prospects want to get deeply immersed in figures representing dividends, net costs, cash values, and premiums, C. C. Calvert of the New York Life in Binghamton, N. Y., uses the Amos and Andy illustration of dividing 28 tons of coal among seven families.

Amos made the division look like this:

7) 28 (13

7

21

He said that the seven did not go into two so he put down the two below, the seven went into the eight once and the two and the one remainder made three, so that each family was to get 13 tons.

This result did not seem quite right to Amos so in order to prove his result he put the number 13 down in column formation seven times. He then added the column by adding up all of the ones and all of the threes and this made 28, proving his result.

To double check, he multiplied 13 by 7, the figures looking like this:

13

7

21

7

28

28

He said that seven times three were 21 and seven times one were seven and when he added this up, it also made 28, proving out again.

Mr. Calvert says that nine times out of ten, by the time he has finished with this exposition of figures, the prospect has the point and is ready to talk business.

C. L. U. Chapter Elects

At the annual meeting of the Tulsa chapter of C. L. U. the following officers were chosen: President, R. E. Seever; vice-president, Tom Scott; secretary-treasurer, Ed Thornton, and directors, R. A. Hittson, Harry Luckhardt and W. T. Scott.

North American Reassurance Company

Life Reinsurance

250 Park Avenue, New York

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ST. LOUIS MUTUAL LIFE INSURANCE COMPANY

ST. LOUIS, MISSOURI

F. H. KREISMANN, PRESIDENT

"Solidity maintained three-quarters of a century for policy-holders and agents."

●Reliable representatives desired in Kansas, Illinois and Missouri.

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Most Complete and
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**GUARANTEED INCOME
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Provides any desired
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**ACCIDENT OR ILLNESS
EARLY DEATH
OLD AGE DEPENDENCY
LACK OF CASH**

ISSUED ONLY BY

**Abraham Lincoln
Life Insurance Company**

Springfield, Illinois

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if you want—

- Unrestricted Territory
- Vested Renewals
- Agency Building Opportunity
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then you want

the **square
deal**

Agency Contract

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**National Life
Insurance Company**

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Openings in Wisconsin, Min-
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USE THIS COUPON!

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National Guardian Life Ins. Co.
Madison, Wisconsin

I would like details of your square deal
contract.

Name

Address

City

State



New Deal Doesn't Exempt Insurance

(CONTINUED FROM PAGE 3)

provided for people who would otherwise not have had it and they secured profitable business which enabled them gradually to extend their operations. That method of building harmonizes with sound social planning and is plain good business, he said. Life insurance companies must be built—not promoted. The way to build them is to perform some act for someone better than that act has been performed before.

Agency Practice Hit

In the agency end, a method which is in conflict with sound social planning is to attempt to duplicate the activity of agencies of other companies in apparently productive fields. A sounder and more social course would be to search out the communities or sets of people in the same field who are not receiving life insurance service and proceed to give it to them.

The good of the business as a whole demands, he said, that the company carry forward some planned and continuous activity looking to the proper training of men for agency management. The company is not doing its share unless it is building general agents and managers rather than merely attempting to recruit them on the spur of the moment, when the necessity arises.

A practice comparable to the sweat shop industry, he said, is allowing great groups of people who are not actually in the business to come in and take commissions which should go to full time life insurance representatives.

Protecting Good Agents

If the companies propose to bring into the business men of high type who will devote their whole lives to the study and practice of the proper life insurance procedure, the companies must find a way to protect them against unfair competition. The full time, conscientious life insurance agent has a right to demand protection against this practice.

Another unfair practice is mass recruiting of salesmen with little care in their selection and turning them loose in great numbers, often inadequately trained. Every time a poorly equipped salesman with inadequate preliminary knowledge makes an unintelligent effort to approach and sell some potential buyer, he makes it that much harder for the properly trained representative.

Too many general agents and managers, he said, operate on the theory that if they hire enough men, in the law of averages they are bound to get a given volume of business. A sounder practice would be not to employ a man unless a general agent thinks he has the personality, character and intelligence to make a really successful agent; not to let the new man see people unless the general agent is satisfied he can make an intelligent approach which will build good will; not to give salesmen the idea of calling on great numbers of new people constantly, with little information as to their insurance needs, but to build a permanent clientele to whom the agent will, over a period of time, render intelligent and constructive service.

Emphasis should be placed on quality rather than quantity, he declared. Every transaction, agency or otherwise, should be viewed as to its helpful or harmful effect upon society generally and as to its helpful or harmful effect on the business as a whole.

For the interest of all, there should

Conservation Work Wanted

Insurance man of experience, well known in South Dakota is available for conservation work in that state. Companies interested should address X-93, The National Underwriter.

be a recognition that unusual effectiveness in management should always be promptly and adequately compensated. Too often length of service, seniority and other factors have been given too much weight and actual accomplishment too little. To some extent, this principle is in operation in the field through the commission contracts of agents and general agents. However, these contracts are predicated solely on the volume of business transacted and renewed, with particular emphasis on new volume. Persistency, quality of business as determined by substantial average size, mortality ratio, and other factors should be taken into consideration.

Mr. Fulton recalled that last year the Life Agency Officers gave much attention to the problem of making changes in the contracts with managers and agents so that an incentive will be offered for production of higher quality business and reward the permanent workers. Such discussions, he said, should be continued so that views may be clarified.

"No company or set of companies," Mr. Fulton concluded, "is big enough that it can afford to stand apart and not cooperate to the utmost in the solving of our joint problems. That cooperation, in the light of the joint problems of all companies, large and small, new and old, must be conducted with patience, the willingness to see the other fellow's position, and that breadth and far-sightedness of viewpoint which is the essence of business statesmanship."

General Agents Hold Conference

(CONTINUED FROM PAGE 6)

unusual opportunity for analyzing an agent and his work, said Mr. Witten. Is the agent resourceful in retaining old business? In seeing and acting on sales possibilities? What does lapse ratio show as to effectiveness of original selling? What type of prospect is being sold?

The "49'er campaign" of the Massachusetts Mutual dominated the Wednesday morning session. The keynoter was L. C. Simon. Other speakers were A. T. Haley, C. E. Reuling, A. J. Butzen, J. F. Cremen, E. W. Hughes, N. H. Bokum, C. W. Schneidereith, J. C. Behan, William Hannah and S. M. Blake. Vice-President J. C. Behan made the closing remarks.

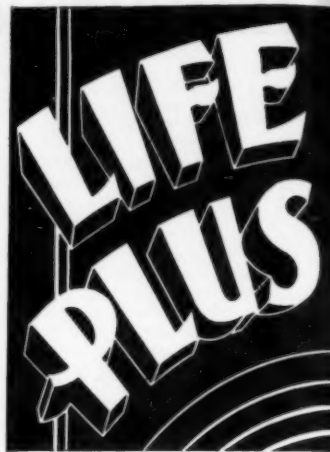
Monday evening the general agents honored F. C. Sanborn at a dinner. Mr. Sanborn until three years ago was general agent in Boston and is now a director of the company. He has completed 60 years of service for the Massachusetts Mutual. Mr. Sanborn is 80 years old.

Detroit C. L. U. Class

A. C. L. U. class has been organized in Detroit with 63 members enrolled. It is handled by the extension division of the University of Michigan under the direction of Dr. Fisher. Part 1 is being taught by Robert Olmstead, general agent, Penn Mutual, a C. L. U. graduate. The responsibility of organizing this class rests upon George Lackey, general agent, Massachusetts Mutual; Frank Klingbeil, manager, Prudential ordinary department, and the other C. L. U. graduates in Detroit. The class has several general agents and managers in Detroit enrolled.

Can't Stop Radio Advertising

Complaints have been received by the Nebraska department against the use of radio advertising by companies not licensed in the state. The department finds no law that gives it power to forbid sales talk being broadcast, even from Nebraska stations, but it has notified all of these stations they will not be permitted to tell hearers that they will receive applications for policies.



**The New and Original Answer
to the Demand for Life Insurance
with Disability Income
Benefits**

Let Us Tell You About It



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CHATTANOOGA, TENNESSEE

Established 1887

Nothing Wrong!

DURING the first five months of 1933 this Company sold more policies than in the similar period of last year. The demand for life insurance is getting stronger. Men of character and industrious habits should be interested in a direct Home Office contract giving liberal first year commissions and non-forfeitable renewals.

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States Life**

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